Keeping Our Cities Solvent (Page 11)

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LARGEST CIRCULATION
OF ANY CANADIAN
FINANCIAL PAPER

THE FINANCIAL POST

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ENLARGED MINING SECTION
A WEEKLY FEATURE
PAGES 18-20

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The Nation's Business

Bennett Starts B.N.A. Act Reform

Hon. H. H. Stevens Again on Warpath

Customs Rulings Equally Important as Reciprocity

The Bennett Call For Constitutional Reform

THE conference of provincial premiers which Prime Minister R. B. Bennett has called for this fall is being heralded as one of the most important gatherings since the original Confederation meeting of the 1860's. Certainly the subject-matter is of vital importance to Canadian business—not to speak of its far-reaching significance to the legal and political fraternity. To give its readers an authoritative background The Financial Post commences in this issue, a series of very important articles dealing exhaustively with this vital national question.

The suggested terms of reference for the conference are briefly as follows:

"(1) Allocation of sources of revenue so as to eliminate duplicate taxation.

"(2) Surrendering of certain provincial jurisdiction so as to enable the Federal Government to enact social and industrial legislation, particularly unemployment insurance, minimum wage laws and employment regulations and,

"(3) With a view to eliminating overlapping of jurisdiction in matters of health and agriculture."

* * *

THOSE whose memories go back a few years are amazed at the alacrity with which the constitutional problem has come to a head in Canada in the 1930's. Perhaps the chief reason is because adversity makes strange bedfellows and provincial governments which formerly turned a deaf ear to constitutional overtures, are now willing, if not eager, to see a new legislative deal discussed.

Another factor has been the Stevens investigation into Mass Buying and Price Spreads which opened the eyes of laymen and business men particularly, to the difficulties which had arisen in the past sixty years in the government of this country. Followers of this enquiry learned for the first time what had long been known to lawyers and legislators, that reforms which seemed urgently necessary were out of the question unless some progress could first be made to smooth out constitutional difficulties.

* * *

AS FOR this particular meeting which Mr. Bennett hopes will materialize during October, the omens for its success are not too bright. The reason of course is the political situation which finds a Conservative government at Ottawa reaching the end of its tenure of office; surrounded by seven provincial governments of an opposite political stripe. Thus while Mr. Bennett may get credit for starting the Confederation ball rolling after sixty years of inaction, it will be something of a miracle if any real accomplishments will be realized until at least a federal election has been held.

The real test of the constitutional question will probably come in 1935 and in subsequent years in the event of a Liberal administration being returned to power at Ottawa. Canada will then have the unique spectacle of almost complete political unanimity among its ten political leaders.

Should the federal Conservatives be returned next year, there would still be a very good chance of some amendments to B.N.A. Act, as the mutual interests of Provinces and Dominion seem to demand it.

Thus the next year or two should be the golden opportunity for a constitutional coup d'état to be achieved and put into practice. Aided by the hard and bitter realities of the depression, Canada should then, if ever, find an answer to this puzzling enigma.

* * *

Mr. Stevens Again Weakens His Case

HON. H. H. STEVENS is at it again.

One has only to read his fiery address to the electorate of Toronto East this week to see how hopelessly he confuses in his own mind and in the minds of his hearers the most elementary principles of business conduct.

For despite any accusations that may be levelled against the packing companies, the tobacco manufacturers and other business groups in respect of business malpractice, it is patent to everyone who has any knowledge of business that Mr. Stevens is on unsound ground when he argues that "the head of the biggest packing concern in Canada can if he wishes raise the price of good beef to 7 and 8 cents a pound and

(Continued on page 2, col. 3)

LIGHTNING HITS SAKOOSE STOCK SHOCKS BUYERS

Prices Forced Up by High Pressure Collapse From Unknown Causes

FORMED IN 1901

Treasury Receives $100,000 to Attempt Revival of 34-year-old Mine—Long Distance Artists

Drop of Sakoose Gold Mining Co. stock from more than $1 a share to less than 40 cents a share within a few days is causing excited speculation among many shareholders as to whether the first rise from the offering price of 65 cents a share to more than $1 a share was engineered and arbitrary or the result of the natural play of supply and demand. Whether shares were sold at 65 cents a share or sold at more than $1 a share, apparently only 50 cents a share went to the treasury of company to finance development. The rise was too rapid for a property on which the engineer has yet to do systematic sampling and in some degree was made easier by a free use of grab sample results that at this stage, the engineer states, mean very little.

More than $100,000 has so far been obtained from the Canadian public by sale of this company's shares. It is important to get a clear statement of what occurred from those selling Sakoose stock because it has become quite a racket for certain individuals to get control of stock offerings of a company and to give the shares a causeless run upward in price to tease investors and eventually to stick them. That has been tried out repeatedly with unlisted mining stocks and the racketeers apparently found it easy to get clients to believe that no stock was available; the latter would have to go higher and higher to get any of it and then they would be given all of it they would take.

Damaging Reports Studied

It would be in the interests of Sakoose if every share transaction from the beginning were carefully scrutinized because the most damaging reports have been circulated with regard to the methods used in the selling of the stock. Confidence was first excited because a member of the Toronto Stock Exchange offered the stock and it would be in his interests as well to have all the moves in the game of selling the stock at rising figures studied. Has Sakoose stock been the victim of a raid by short-sellers, as some close to the company claim? Or was it raised by expert puffers who cared neither for the property or the shareholder once they could unload? And how far was it a genuine fall because shareholders were urged by outside interests to sell while the selling was good.

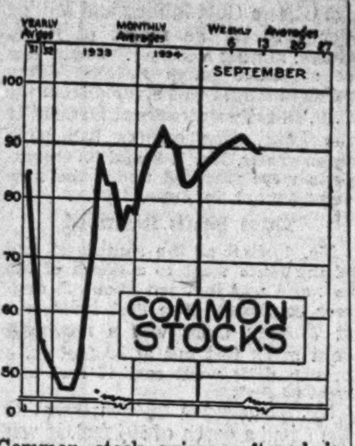
Defend Property's Worth

There is this to be said for the Sakoose: Whatever may be true of some who have been selling shares those who took an underwriting interest in the shares are greatly concerned about the stories spread around that the property "never amounted to anything and that those behind the property are only waiting to dispose of their stock before dropping their support." The Financial Post quotes as evidence that selling stock was not all easy sailing this excerpt from a letter received before Sakoose stock went down by a shareholder who was urged by brokers to get out of Sakoose. The financiers of the company claim that mine-wise the property is as encouraging as ever, that they now have sufficient money ($85,000) to carry through important development work during the winter and next spring and that diamond drilling by Percy Hopkins, M.E. in 1931, and a progress report just received from the company's engineer, Charles Spearman, M.E., have convinced them that it is worth while to go ahead.

Sells By High Pressure

It is also true that more conservative mining men and many investors in the company have been somewhat unsettled by the strenuous selling methods of C. A. Fairchild, editor of Canadian Miner & Investment News, Montreal. This man uses his weekly, the telegraph and long distance telephone constantly to urge people in Ontario and even in Manitoba to buy Sakoose stock. Judging by the letters received by The Financial Post from people solicited by this man, his bill for long distance telephone messages must have been enormous. He runs with his financial newspaper a financial advisory service, and his method of approach is to say that he is giving his "contacts" this tip so that they will buy, make money and appreciate the value of his service. He then expects, he says, to sell them the service. Then he repeats the call when the stock price has been raised and predicts still higher prices. Apparently it was easy for prices to go higher until the stock began to come into the market again. Some interests engaged in selling this stock claim that the drop in value of the stock has nothing to do with the value of the property but only represents the efforts of short sellers who thought the company was vulnerable. But

(Continued on page 2, col. 5)



Common stock prices softened in the week ended September 13. Complete indices are shown on page 5.

MYSTERY MALT PLANT MOOTED FOR TORONTO

Million Bushel Rival to Canada Malting by Interests Unknown

MAY BE PLAYFAIRS

So Runs Gossip Because Tunnel Between Toronto Elevators and New Plant is Intended

Tenders for the construction in Toronto of a mysterious one million bushel capacity malt plant are being asked by A. B. C. Malting Co., Ltd. Though the plant is going up next to Toronto Elevators, executives of that institution report they can say nothing. Canada Malting Co., chief company in the Canadian industry, is ignorant as to who the new people are, officers say. Grain men, who might possibly be expected to take a part in such a venture if it were being started by Toronto capital, say they cannot say who is going to build any more than anybody else or even if anybody is going to build.

The large brewing companies state that they have no ambition to build a malt plant and they do not know who has. They admit that there is a lot bigger market in Ontario for malt with the advent of freer sale of beer. They say the market has more than doubled. Up against that is the situation created by the shortage of barley in the United States, the increasing demand from Europe and the likelihood that Canada can use most of what it grows this year.

The possibility of foreign interests making malt here has not been overlooked but no A. B. C. Malting Co. has been incorporated at Queen's Park, Ontario, nor apparently at Ottawa either. Before such a company could own property or get the right to build on Ontario soil it would have to get a license in mortmain. Such a license has not yet been applied for.

Tunnel is Significant

Yet a score of people, who would be interested financially in such an undertaking, have been telephoning and turning up records in an effort to find out who the new capitalists may be. "There is no way to describe it but as a mysterious malt house," said one financial man who had been pestered all day by enquiries. Enquiries took his direction because most people thought he was the likely man to be having an important finger in such a pie. But he says, "No."

The new plant, it is stated, is to be east of Spadina Avenue and below Queen Street, enquirers were told. Tenders were sent to MacDonald Engineering Co. this week but the latter firm were not allowed to state who were their principals in this enterprise. The plant is to be for one million bushels malting capacity. There will be a cleaning house, storage elevator of about 110,000 bushels capacity, 69 ft. 2 in. by 149 ft. high, a germinating building 125 ft. 8 in. long by 83½ ft. by 85 ft. high, a kiln building 47 ft. 9 in. by 105 ft. 3 in. by 79 ft. high and other buildings necessary for a malt plant.

Page James Playfair

The Financial Post is informed that a tunnel will connect the contiguous properties of Toronto Elevators and the A. B. C. Malting Co. That suggests that though Toronto Elevators denies it is moving in this matter, it may be the chief interests of that company nevertheless. The disposition on the Street is to believe that James Playfair of Midland, and possibly F. K. Morrow of Toronto, might be able to give information. But close friends and business associates of these men claim that the matter is a mystery and that they know nothing. But that tunnel—if it is really going through—does suggest very close associations between the two companies. Great interest will be taken in the ultimate announcement.

Rogers-Majestic Sales Over Twice 1933 Level

Sales of Rogers-Majestic Corp. from April to August, the first five months of the current fiscal year, were 238 per cent higher than for the corresponding period of 1933, according to official report.

Production of new radio models was started Aug. 28, and it is expected that the plant will be operating at capacity of 600 sets a day in a few weeks.

MONEY RACE DELAYS LOAN OF DOMINION

Provinces Interfere With Early Sale Ottawa Bonds

NEED LOAN CONTROL

Conversion Loan For $250 to $275 Millions to Have Several Maturities and Low Rate

With provincial governments in the market for money, the predepression difficulty of avoiding intergovernmental competition for loans has arisen again.

The new Dominion loan of from $250 to $275 millions was to have been brought out late this month or early in October, but the various offerings have interfered with the market temporarily, and the Dominion will now hold off until October, probably the second week in that month.

It is understood that Ottawa authorities have made some efforts to prevent this competition. Experience along this line in the last two months has given some impetus to the movement at the capital for something in Canada approximating the Loan Council of Australia to coordinate governmental borrowings. It is hoped that the central bank will be able to prevent this kind of competition in the future. If not, it is thought that other measures may be taken.

New Loans Tabulated

The extent to which new loans have been placed on the market in the past four weeks is indicated below:

Chief New Issues in Four Weeks Ended Sept. 19, 1934

Issuer:	Amount $	Date
Nova Scotia	3,510,000	Sept. 18
Saskatchewan	5,000,000	Sept. 17
Bank of Canada	5,000,000	Sept. 17
Beauharnois L. H. & P.	2,960,000	Sept. 11
New Brunswick	1,100,000	Sept. 7
Ontario	47,500,000	Aug. 28
Quebec	10,000,000	Aug. 25
Total	75,070,000	

There have, of course, been several smaller loans placed, chiefly by municipalities. And the Dominion was competing with itself to the extent of the $5,000,000 Bank of Canada share offering. If the field had been kept clear, however, it is not thought that the bank shares would have been an important factor.

The Dominion has, to some extent, been tarred with its own brush. The favorable market built up for its own loan has been partly pre-empted by others.

Loan Probabilities

The loan to be offered in October will be for $250 to $275 millions, with the latter an outside figure, and $260 millions the probable amount. Conversion of the 5½ per cent loan maturing Nov. 1 will require $222,216,850, leaving less than $40 millions of new money to be raised. Because of the holders' need to reinvest funds from the maturing issue, the major part of the new loan is expected to be placed without much difficulty. It is estimated that banks and other institutions hold from two-thirds to three-quarters of the maturing bonds. They are expected to convert most of their holdings.

At least two and probably three maturities are to be offered in the loan. It is expected that there will be a short-term issue to facilitate conversion of institutional holdings of the Nov. 1 maturity. And there will be one and possibly two longer term maturities for smaller investors.

Value of "Shorts"

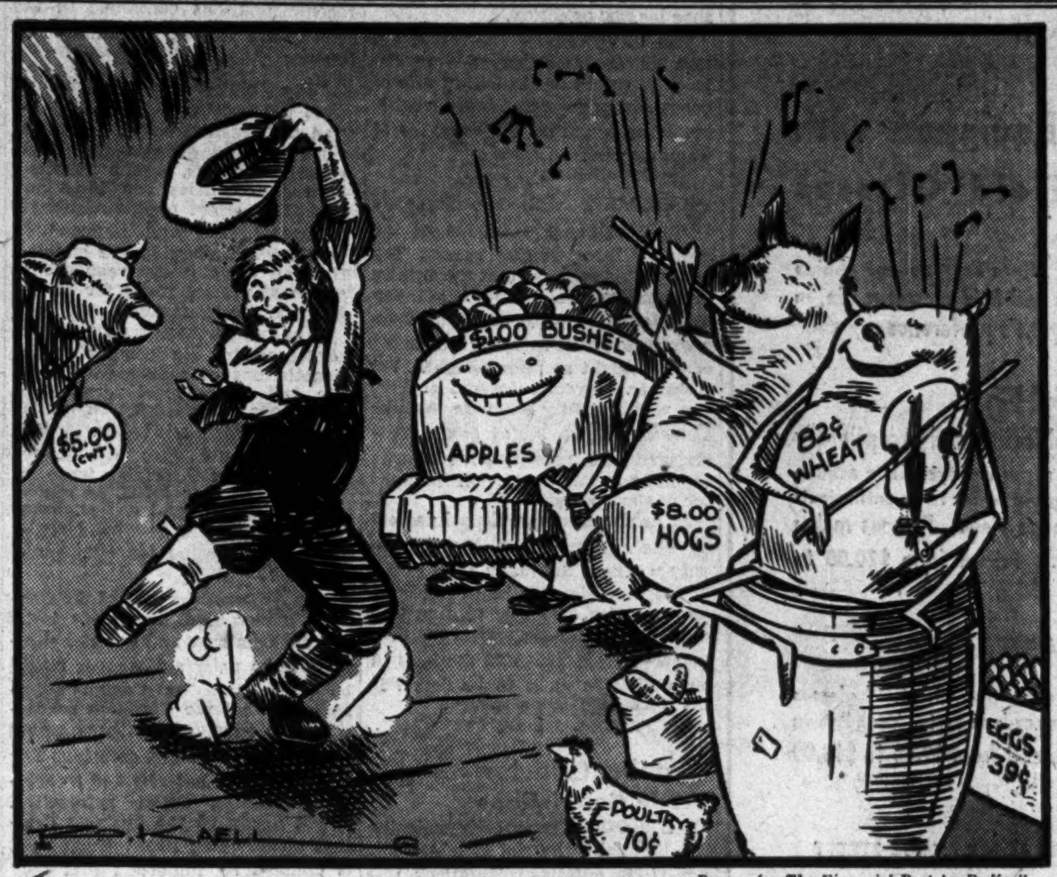
In addition to the advantage of facilitating conversion of large holdings, short-term bonds allow the Dominion to borrow at cheaper rates than long-term bonds. Maintenance of the supply of short-term securities might also be expected to assist the Bank of Canada in any open market operations it may decide to undertake after it starts to function.

On the other hand, the Dominion may prefer to fund a substantial portion of the loan in long-term bonds so that the maturity problem would be lightened while interest rates are low. One of the advantages of offering two or three maturities, of course, is that future maturities are spread farther apart. Ottawa has been somewhat embarrassed within the past four years by the heavy war loans which have fallen due since 1931.

Low Coupon Rates

Coupon rates to be offered on the loan will be the lowest ever recorded for a domestic loan of major proportions, if the bond market holds anything like its present level. Provided that the market does not slip appreciably in the next three weeks, the Government may be able to place short terms carrying not more than two to two and one half per cent and longer term bonds carrying 3½ per cent coupons. The yield basis will depend on market conditions at the time of issue.

As pointed out in The Financial Post last week, one of the most threatening hazards the financial programme faces is the premium on Canadian currency. This may attract foreign selling of Canadian bonds with weakening results. The consequence would be a higher cost rate to the Dominion on its loan because the major flotation must be made next month due to the large November maturity.



—Drawn for The Financial Post by R. Kaell.

SOME OLD-FASHIONED MUSIC

FEAR DEFAULT ON WIDE SCALE BY B. C. CITIES

B. C. Bond Dealers Claim Province Forcing Repudiation

BURDEN ON BONDS

From Our Own Correspondent

VANCOUVER.—Fearing that the Provincial Government's attitude on municipal bonds will result in wholesale repudiation of indebtedness and adversely affect British Columbia's credit, B. C. bond dealers have taken sharp issue with members of the Pattullo Ministry

"Such a policy as the government is reported to have adopted appears to us to be an open invitation for any municipality to default and then, through the co-operation of the government, to repudiate its obligations," stated G. Lyall Fraser, president of the Bond Dealers Association. "Is the government to condone extravagant and incompetent management of municipal affairs by assisting insolvent municipalities to escape the results of their unwise administration in the past?"

Saddling Bondholders

Mr. Fraser argues that if the plight of the municipalities is due to the government's withdrawal of grants or to the saddling of increased social service costs on the municipalities the burden should not be borne by the bond owners.

Bond dealers have urged the government to modify its stand and in a series of newspaper advertisements explain their own position, pointed out that the question of the municipalities which have already defaulted is not important as compared to the scores now paying interest "which the government appears to be trying to get to default."

Denies Forced Default

Hon. John Hart, Minister of Finance, issued a statement denying that the government has tried to force municipalities to default.

Nevertheless, municipal bondholders see the plan of Hon. A. Wells Gray, Minister of Municipal Affairs, which would allow reductions of interest rates on bonds of defaulting municipalities, and any others that care to come under the scheme, as encouragement of default. Something similar occurred in Ontario when the province adopted the policy of paying all relief costs of defaulting municipalities. Some Ontario defaults are suspected to have occurred to gain the seeming advantages of the scheme. Municipalities apparently were not fully aware of the serious consequences of default.

For further details see story on page 3.

Week's Figures Feature Gains Permits, Trade

While the total for building permits issued in August is not impressive it shows a good gain over the previous month and is somewhat ahead of the total for August last year. Foreign trade figures are slightly down from July—the usual seasonal trend—but are considerably ahead of last year's totals.

Carloadings failed to hold the high level of the previous week but this is partly accounted for by the Labor Day holiday. The gain of 16 per cent over last year is impressive.

		—Change— From prev. period	From prev. year
Monthly:	August, '34	%	%
Bldg. permits	$ 3,273,889	+38.5	+1.7
W'sale prices index	72.3	+0.4	+4.0
Retail prices index	78.7	+0.4	+0.5
Imports	$43,499,764	—1.4	+12.1
Exports	$55,249,375	—1.5	+23.5
Butter output lbs.	29,988,626	—14.3	+8.5
	July, '34		
Failures .... No.	122	+6.1	—14.1
Liabilities	$ 1,807,700	—25.3	—21.0
Weekly:*			
Car loadings . No.	47,679	—9.9	+16.3
Cattle sales .. No.	17,716	+32.0	+40.0
Hog sales .... No.	13,434	+1.3	—25.0

*Weeks ended Sept. 8, 13 and 13 respectively.

SEES NO HOPE EARLY START OF MIGRATION

U. K. Committee Thinks Better Conditions Needed

PLANS FOR FUTURE

Unassisted individual emigration will always be, as in the past, the method which will provide, not only the bulk, but the best type of migration from the British Isles and this emigration will again begin when economic conditions are attractive, the recently published report on Migration Policy, compiled by the British Inter-Departmental Committee, states. Such being the case, the committee does not recommend any immediate action in an attempt to start a flow of emigrants but contents itself with a number of recommendations for schemes which might be considered when economic conditions have definitely improved.

Although stressing the value of unassisted immigration, the committee admits that immigration schemes, when properly controlled, can be helpful in creating a flow of migrants. It considers that assistance tendered to immigrants should be provided in equal proportion by the British Government and the government of the Dominion and points out that experience of assisted passage points to the fact that nominated emigrants have been most successful. The nomination system is one under which a family located in a Dominion agrees to be responsible for a friend or relative from Britain for a stated period.

Group Settlement Opposed

In considering the relative merits of group settlement and infiltration into existing communities, the committee was forced to the conclusion that the latter was much preferable. In addition, assisted settlement in existing communities can be done at consideraly less cost than the other method.

The committee accepts without reserve the view that, in the interests of the United Kingdom, of the individual Dominions concerned, and of the Empire as a whole, a better distribution of population is urgently desirable; but it gives no support to the hope that the situation could be improved by any heroic remedies. It suggests various amendments in the methods by which the tide of emigration may be made to flow more smoothly.

In particular, it recommends that effective encouragement should be given to the establishment of additional schools on the lines of the Fairbridge Farm School in Western Australia, which has done so much good work in child migration, and it suggests that the government should be authorized to contribute more generously to the necessary cost of the migration work of approved societies.

Assistance is also recommended for a number of other projects, as follows:

The United Kingdom Government should provide assistance within certain limits toward general reduced passage rates to the Dominions.

Every endeavor should be made to encourage the nomination system and to arrange with the Canadian Government for its extension to all categories of migrants.

Favor Nomination System

Passage loans should be made available for those nominated migrants who cannot afford to pay the full nominated rate.

The Canadian Government should be approached with a view to considering the reintroduction under proper safeguards of the system of boarding out young children.

Training facilities should be made available in the United Kingdom for single women and boys. The United Kingdom Government should bear up to 50 per cent of the capital and maintenance costs of training centres where they are established jointly with an oversea government, and up to 75 per cent where they are established by approved voluntary societies.

Highlights of the week

Civic Solvency

Keeping Canadian cities solvent is one of the big jobs in this country today. Thomas Bradshaw, foremost authority on the subject, discusses the social, economic and financial aspects of the municipal debt problem in Canada. An exclusive Post interview. Page 11

B.N.A. Act Impasse

Ten governments have sovereign power in Canada. Why this has created a constitutional problem and what the problem is. First article of a timely series explaining the conundrum that Canada's premiers will discuss at their coming conference. Page 10

Insurance Equity

Sale of participating policies has placed policyholders in the position of chief owners of life insurance companies. How a bigger shareholders' stake might help life insurance. Page 17

Business Aims

W. Sanford Evans, former president of the Canadian Chamber of Commerce, gives his views of the ideals and objectives of modern business in a topsy-turvy world. Page 6

Money Issues

Another increase, this time $7,125,733, in the issue of Dominion notes shows that Ottawa is financing part of its deficit with paper money. Aims of the Government and the meaning of the currency expansion. Page 16

Business Trend

August business didn't show the same gains as in preceding months. An analysis of the trend toward recovery. Page 4

Teck-Hughes

Welter of rumors about 17-year-old producer calls for further clarification. A big story for mining investors. Page 18

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FLOUR TRADE STRENGTHENS IN PAST YEAR

Millers' Statements Likely to Reflect Better Earnings

PRICE STRUCTURE UP

Production, Exports and Domestic Trade Show Moderate Gains in 1933-34

From Our Own Correspondent

MONTREAL.—Financial statements of the Canadian flour milling companies for the crop year just passed are expected to make better reading than those for 1933. While none of the operators have released interim statements as to their trend of operations or earnings, government reports on production, shipments, prices, etc., all foretell better returns for the fiscal year ended last month than was the case in the preceding twelve months period.

Ogilvie Flour Mills, Lake of the Woods Milling Co., St. Lawrence Flour Mills, Maple Leaf Milling and other concerns close their financial year with the crop year—July 31—or one month later. Government returns on milling operations, therefore, provide a close indication of what the individual companies have done during the year.

Small Gains Noted

For the eleven months of the crop year ended June 1934, 61,909,175 bushels of wheat were ground into flour in Canadian mills. This compared with 60,401,392 bushels handled in the corresponding period of the previous year.

While these figures would not indicate any marked change in flour milling operations, flour produced and the price received during the period tell another story.

Wheat flour produced in the 11 months ended last June amounted to 13,882,227 bbls., as against 13,573,136 bbls. in the previous year. The figures indicate that more flour was received from a bushel of wheat in the past milling season than was the case in 1932-33.

The Canadian millers have two main outlets for their flour production—domestic and export. The domestic market is far from being able to absorb the whole output, consequently the export trade plays an important part in the financial returns and operations of the millers.

Export Trade Improves

During the full crop year of 1934—12 months ended July 31— Canada exported 5,454,636 bbls. of flour compared with 5,370,613 bbls. in the previous year, a gain of less than 100,000 bbls.

The feature of the export business in the past year, however has not been in the quantity shipped but in the return to the shipper. In the 1934 crop year wheat flour exports had a value of $19,477,652. This compares with $17,100,260 in the preceding twelve months.

Average returns per barrel of flour exported during the 1934 crop year amounted to between $3.50 and $3.60 a barrel, as against $3.20 a barrel in 1933.

Domestic Trade Holds

It has long been recognized that profits in the flour milling industry are made on the domestic business—export trade providing the volume which keeps down manufacturing costs.

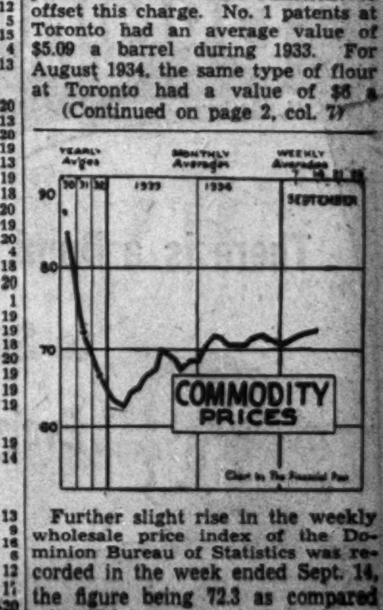
From the figures quoted it will be seen that export trade recorded a small advance last year, while the price was somewhat better. In neither case, however, was the difference great enough to have any marked bearing on the millers' financial returns.

The extent of the gain or losses in the milling trade last year is to be seen in the domestic trade. Gross figures on production indicate a modest gain, partly offset by a minor increase in exports. The volume of domestic business in the 1934 crop year, therefore, was on a parity with that of the preceding twelve months.

Better Selling Price

Increased earning power of the miller last year accordingly depended on the selling price of his product. While the materials entering into the manufacture of flour last year cost the miller more than in the preceding year, the advance in price was more than sufficient to offset this charge. No. 1 patents at Toronto had an average value of $5.09 a barrel during 1933. For August 1934, the same type of flour at Toronto had a value of $6 a

(Continued on page 2, col. 7)



Further slight rise in the weekly wholesale price index of the Dominion Bureau of Statistics was recorded in the week ended Sept. 14, the figure being 72.3 as compared with 72.0 in the previous week.

It's much more Exciting at the Races!

When You are Equipped with Binoculars or Field Glasses

EATON'S Optical Department offers an excellent choice of some of the finest binoculars and field glasses made, in a range of prices to meet everyone's preference.

BINOCULARS

These give 6 and 8 times magnification and exceptionally clear, sharp definition with the separate eye-piece adjustment. As satisfactory for huntsmen as for race enthusiasts and splendid for extreme distance views. Famous makes such as "Hunalex" and "Zeiss." Priced from $20.00 to $81.00 pair.

FIELD GLASSES

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OPTICAL DEPARTMENT — THIRD FLOOR, YONGE STREET

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Bullion Movement in United Kingdom

The following were the United Kingdom imports and exports of gold registered from mid-day on Aug. 27 to mid-day on Sept. 3:

Imports	
Germany	£ 6,381
France	46,167
Switzerland	27,655
Iraq	10,763
Argentine Republic	242,350
Br. South Africa	72,815
Australia	29,021
New Zealand	31,697
Netherlands	36,745
U. S. A.	271,514
British India	10,662
Hong Kong	10,198
Newfoundland and Coast of Labrador	40,317
Other countries	10,154
	£846,439
Exports	
Poland	£ 5,000
Netherlands	146,200
Belgium	157,900
France	1,243,344
Switzerland	44,521
Austria	5,610
Czechoslovakia	1,550
Other countries	424
	£1,604,549

Lead Output for 1934
May Be All-time High

Canadian production of lead in the month of June was at a higher rate than in the five preceding months, figures issued by the Dominion Bureau of Statistics this week show. Output for the month totalled 28,613,779 pounds as compared with 25,939,731 pounds in May, bringing the total for the first six months of the current year to 158,995,449 pounds. During the corresponding period of 1933, 129,257,649 pounds were produced.

The above figures support the prediction made in The Financial Post two weeks ago that this country's output of lead in the current year will establish an all-time record. The Financial Post estimated the year's production at 155,000 tons. On the basis of June production this figure will be exceeded.

The average price of lead on the London market during June, in Canadian funds, was 2.47 cents per pound; valued at this price the Canadian output was worth $707,733. The May average price was 2.51 cents per pound and the estimated value of the month's production was $652,689.

The refined lead output of the world for the month of June at 122,172 tons declined 10,080 tons from the preceding month. The output of both the United States and Mexico registered declines, the former's production being 14.5 per cent less and the latter 24.4 per cent. Australia's production increased from 17,655 tons in May to 18,492 tons in June.

Cement Output Jumps
139,270 Bbls. in June

The Dominion Bureau of Statistics at Ottawa reports that shipments of Portland cement by Canadian producers in the month of June amounted to 520,832 barrels as compared with 381,562 barrels in the preceding month and 401,060 barrels in June, 1933. During the six months ended June 30, 1,355,360 barrels were shipped and in the corresponding period of 1933, 1,088,537 barrels.

Sales of clay products by Canadian producers in June were valued at $259,094 as compared with the preceding month's valuation of $258,775 and the June, 1933, value of $236,660. During the first six months the value of sales of clay products was $1,056,540 or 17.9 per cent above the total for the same period of 1933.

Lime production in Canada during the month of June totalled 31,984 tons. In the preceding month 32,071 tons were produced and in June, 1933, the output was 28,437 tons. During the first half of the year the output totalled 180,376 tons as compared with 133,000 tons in the corresponding period of 1933.

Trail Smelter Ore
Totals 11,286 Tons

Ore receipts at the Trail smelter of the Consolidated Mining and Smelting Co. for the period Sept. 1 to Sept. 7 inclusive totalled 11,286 tons, of which 9,979 tons came from the company's mines. This brings the total tonnage handled by the smelter since the first of the year to 358,891 tons. The following is a list of shipments received during the week ended Sept. 7.:

Name of Mine	Tons
Arlington	61
Athelstan	47
Beaver Silver	38
Bunker Hill	19
Dundee	51
First Thought	179
Granite	36
Goodenough	115
Highland Lass	46
Kootenay Belle	42
Knob Hill	164
Morning Star	167
Nest Egg	4
Yankee Girl	229
Jumbo Lease Syndicate	22
Dentonia (concentrates)	63
Reno (concentrates)	22
Total	1,307
Total company	9,979
Grand total	11,286

Quebec Port Busy

During the month of August, 130 ships visited the Port of Quebec, officials of the Harbor Commission announce. This was an increase of 29 vessels over the month of July.

The Nation's Business

(Continued from page 1)

thus put between $30,000,000 and $40,000,000 of new purchasing power into the hands of the farmer."

Every practical business man in Canada will sense the fallacy in this argument that price levels can be arbitrarily increased at the whim of individuals without reference to the myriad forces which determine at any one time the prevailing price level for any commodity—be it beef, shoe leather or cotton.

The United States has found out that an abnormal advance in the price of cotton has killed off sale of goods and precipitated labor trouble involving hundreds of thousands of wage earners.

* * *

SIMILARLY with Mr. Stevens's quite palpable distortion of the so-called "shortweight" racket. The facts of this case are that the Ottawa prosecutions disclosed about as many independents guilty as chain store operators; about as many evidences of overweight as underweight. Yet from Mr. Stevens's Toronto address one would rightly conclude that the Canadian chain stores alone were engaged in a country-wide scheme to "flimflam the public" on the matter of short weights.

As has been repeatedly pointed out by The Financial Post, Mr. Stevens only weakens the many good points in his campaign for improved business practice, when he continues to distort the facts to support his own personal prejudices and indulges in such diatribe as is to be found in his Toronto election speech.

* * *

Chamber Criticizes
Trade Restrictions

ALTHOUGH reciprocity stole the limelight, the red tape of Canada-U. S. customs regulations was an equally important trade subject aired at the recent annual meeting of the Canadian Chamber of Commerce. Thus, the report of the joint Canada-United States Committee, approved at the meeting, stresses the urgent need for mitigation of harassing customs regulations which "even more than excessive tariffs," create friction between countries trading with one another.

Simplification of the provisions of tariff laws on which dutiable values are based is also suggested in the report, interpretation of what constitutes a fair value for duty purposes being stated to be a too frequent cause of complaint of those engaged in foreign trade. The recommendations contained in the report are stated succinctly as follows:

> "The Joint Committee emphasizes the urgent need for mitigation of harassing customs regulations which, even more than excessive tariffs, create friction between countries and have an unsettling effect on international commerce. Of vital importance to foreign traders is the simplification of customs regulations which at present make for instability in the tariff field.
>
> "The opportunity should be presented in the coming trade negotiations of reducing to simple and unequivocal terms the provisions of tariff laws on which dutiable values are based. A too frequent cause of complaint by those engaged in foreign trade is not the ordinary tariff, so much as the departmental and customs interpretations as to what constitutes a fair value for duty purposes."

Any move on the part of the Canadian government to clarify tariff and customs laws and thereby eliminate these petty annoyances would be appreciated by Canadian importers. That the Canadian regulations are involved on these points is admitted. On many occasions The Financial Post has referred to arbitrary rulings, often retroactive, which disrupted the business dealings of Canadian firms. Further, it is claimed by importers that they are unable to calculate just what the laid-down price of goods will be until they know for certain what port of entry they will come through as no fixed interpretation is apparently set for the "value for duty purposes" clause in the customs regulations.

Footnotes to Ottawa

From Our Own Correspondent

Price Spreads Commission

OWING to the five by-elections now underway, the Price Spreads Commission will not begin to function until October. When the former Parliamentary committee concluded its work, it was expected that the Commission would begin the final phase of the inquiry in September, But Hon. Harry Stevens, whose chairmanship of the Commission is now assured, has intimated that the first session will not be until October. The chief reason is that Mr. Stevens will take an active part in the by-election campaign.

* * *

Three New Loans

THREE new loans, two to British Columbia and one to Manitoba, have been announced by the Dominion Government and they bring the grand total of loans to $65,167,000. A loan of $2,000,000 has been granted to British Columbia to enable the province to meet debt obligations which fell due a few weeks ago. A loan of $375,000 has also been given British Columbia to cover the province's ordinary budget deficit for the year ending March 31, last. The loan totals $190,000 and has been given to Manitoba to assist the province to meet its share of relief expenditures. The grand total is now divided between the Western Provinces as follows: Manitoba, $12,138,000; Saskatchewan, $29,305,000; Alberta, $11,801,000; British Columbia, $11,923,000. The purposes for which this money has been loaned are: To meet debt maturities, $17,020,000; for seed grain, $9,037,000; for provincial purposes including relief, public works and interest on provincial debt, $39,110,000.

* * *

Western Oil Freight

AN EDMONTON oil refiner, on appeal to the Board of Railway Commissioners, has upset the western freight rate tariff on crude oil and, thereby, relieved independent refiners from what they regarded as highly discriminatory rail charges. In the "conclusions" issued by the Railway Commission it is stated that the freight rate structure complained of provided a through rate from the South to Calgary of 57½ cents per 100 lbs., while the rate to Edmonton was 96½ cents. The Commission finds that the rate should be 72 cents to Calgary and 73½ cents to Edmonton. Rates, along similar lines, are fixed for other western points.

* * *

Contracts Awarded

CONTRACTS awarded by the Dominion Government last week total $1,769,727.60 and are divided among 35 various projects. Piers and sewers at Midland, Ont., are to be built by the Russell Construction Company Limited, of Toronto, at a cost of $89,943.94. The Postal Terminal Building at Montreal is to be constructed by Duranceau and Duranceau, at a cost of $1,443,692. These are the two largest contracts involved.

* * *

Milk Board Queried

CONSTITUTIONALITY of the legislation under which the Milk Board of Ontario functions is likely to be challenged in the courts by the Civic Hospital authorities of Ottawa. The recent order of the Board boosted the price paid by the hospital for milk some 60 per cent. The hospital board holds a contract with an Ottawa dairy under which milk must be furnished at the lower rate and the board is seeking legal advice as to whether the Ontario Milk Board has authority under the statute to set aside private contracts. Informally it is learned that counsel is of the opinion that the contract is good and it is probable, therefore, that litigation will follow.

* * *

Restrict Hay Exports

REGULATIONS covering the export of hay and straw, issued by the Department of Agriculture, set up complete machinery to control this business. The government, it is understood, intends to restrict exports only in the Prairie Provinces, where an acute fodder shortage exists, but the regulations cover the whole country. A separate license must be obtained for exports and each license will declare precisely how much fodder it covers. Exporters must apply for these licenses to the district inspectors of the department. The inspectors will forward them to Ottawa, along with a report in which the inspectors will make a recommendation. Each application will be decided by the Minister at Ottawa.

LIGHTNING HITS SAKOOSE STOCK SHOCKS BUYERS

(Continued from page 1)

why did it ever go up so high as to tempt them?

Produced Several Years

Sakoose Gold Mining Co. has its head office in room 717, 213 St. James St. W., Montreal, Que. It was incorporated on June 18, 1934 under the Quebec Mining Companies Act but all its claims are in Ontario and it received its license in Ontario on July 10, 1934. The capitalization is 3,000,000 shares of $1 par value with 500,000 shares issued for claims. In addition 500,000 shares were optioned with C. F. Potter & Company of Montreal for a total consideration of $340,000. The 500,000 shares paid for mining claims or for options on mining claims were pooled for a period of 12 months from September 18, 1934.

The 500,000 shares for claims were payable to R. Russell Clark, 168 Roycroft Blvd., Snyder, near Buffalo, N.Y. These shares were paid for the following mining claims: K 4180 4-5-6 recorded at Kenora, Ontario on January 6, 1934; and for assignment of option on mining claims H. W. 416,475 N. T. 22, K. 2860-1 and K 3558 in the Kenora mining division, Ontario. If the option is exercised the sum of $50,000 cash is to be paid for complete ownership of the optioned claims in installments ending on December 18, 1937.

Thus four claims have been bought for stock and six claims are under option with $50,000 payable in cash for these if option is exercised. Chief attention is being directed to H.W. 416, optioned claim, where the old Sakoose Gold Mining Company 34 years ago tried for several years to make a mine. Actual production proceeded and ore was sent to Keewatin Reduction Company during those years. Money was then advanced by Ottawa Gold Mining and Milling Co. to the Sakoose but later there was a disagreement and judgment was secured by the Ottawa Gold Mining and Milling Co. for $40,000 against Sakoose. The famous H. A. Guess was employed on the mine until he resigned in September, 1902, and then operations proceeded for six months of simply getting all the ore that was available right down to the bottom levels. Then the mine was closed.

Could Not Sell Claims

The old Sakoose Gold Mining Company was formed on March 9, 1901, with its head office in Ottawa. The company was in arrears from 1917 to 1927 inclusive on fees owing to the Ontario Government and toward the end of 1928, shareholders agreed to transfer the assets of Sakoose Gold Mining Company to the Ottawa Gold Mining and Milling Company.

The Ottawa Gold Mining and Milling Company had been incorporated on April 9, 1897. This company had been dormant for more than 30 years when it asked in 1930 to be struck off the list of active companies. It was not struck off, however. Its property was valued at $300 and was offered to one of the chief shareholders but eventually they could not even get this shareholder to take it over. It was an earnest venture in those days with important leading citizens of Ottawa as the shareholders. At one time Sir George Foster was president and at another Sir George Burns took his place. Though the company had no mining property of any kind at the end of 1927, it kept the judgment against Sakoose. Attempts to sell the Sakoose claim, in which Ottawa Gold Mining and Milling had a half interest, were not then successful.

Premium May Make Difference

Ottawa Mining and Milling had spent large sums for working Sakoose property and finally got judgment against Sakoose for $40,000. Attempts to sell the property by both companies were unsuccessful. The Keewatin Reduction Works, which had been erected in September, 1900, by the same Ottawa Gold Mining and Milling Company which controlled Sakoose, had 20 stamps which dropped almost continuously for a period in that year. Part of the ore came from the Sakoose mine which had shortly before been purchased by the Ottawa Gold Mining and Milling Company. Sakoose at the end of 1900 and in 1901 was shipping to the Keewatin Reduction works regularly, although not enough to keep the 20 stamps going continuously. The works were open for custom trade as it was then hoped the Rainy River district would become important in mining. Later it lost confidence in the district and closed. The premium on gold may make all the difference.

The old Sakoose mine operated on locations H.W. 416, 468, 475 and N.T. 22, six and a quarter miles south of Dyment station on the C. P. R. It was owned and operated by Messrs. Munro and Watson as the Golden Whale until the spring of 1900 and the group of locations was sold to the Ottawa Gold Mining and Milling Company on the report of H. A. Guess, mining engineer. A spur line of standard gauge railroad seven miles in length was erected from the C. P. R. railway tracks at Dyment to the mine. The owners had sunk three shafts, No. 1, 2 and 3. Operations were resumed under the new management in June, 1900.

Three Shafts Described

No. 1 shaft at the southwest end of the mine went to a depth of 165 feet and was inclined about 75 degrees southeast. The first level was at 75 feet; there was a northeast drift of 83 feet but at 50 feet in, a branch drift went east 47 feet and west 95 feet.

No. 2 shaft 200 feet northeast of No. 1 had a depth of 108 feet. It was vertical at the top, gradually inclining to 50 degrees southeast at the bottom. The first level was at a depth of 35 feet and there was a southwest drift of 45 feet. It is now abandoned and was stoped out from end to end and up to the surface. The second level was 105 feet deep with a west drift 34 feet. The east drift gradually turned southeast to 45 feet in then sharply to the southwest for 55 feet further.

No. 3 shaft at the northwest end of the mine was abandoned in 1900.

Promising at Surface

There was a quartz vein followed down by both No. 1 and No. 2 shafts. The ore consisted of dark quartz containing variable quantities of zinc blende, chalco pyrite, pyrites and galena lying in a fissure tight against walls of a brownish gray disturbed quartose schist, which presented a blocky appearance due to numerous jointage planes. A dike of quartz porphyry runs in and out through this broken up area of country rock and for long stretches lies against the quartz vein. The vein though maintaining a uniform strike of northeast and southwest, nevertheless breaks away occasionally, running along flat for a short distance and then turning sharply down again, again changing the direction at right angles. It is these sudden changes in the plane of the vein which causes the erratic course of some of the underground drifts. On account of this, the quartz lead ranges from a few inches wide up to five or more feet so that in stoping large portions of the wall had to be taken down also. The wall contained considerable iron pyrites in which it was said sufficient gold values were found to make it pay to ship the ore after a careful sorting.

Reports of the Ontario Mining Department on the Golden Whale at the outset considered it a very promising property at the surface and spoke of it as though it were testing out the gold district for what was hoped to be profitable operations. A 1900 report said, "On no property is there a finer surface indication in the form of felsite and felspar porphyry. There is expensive work in stripping to do but it is hoped that there will be immense ore bodies underneath."

So optimistic were those in that district that it was referred to at that time as the new Klondike.

Further Sampling Warranted

This story would not be complete if it were not pointed out that Charles Spearman in his progress report covering from July 15 to September 15 reads both past performance and the geological conditions as "making the property worthy of further development with the possibility of developing substantial gold deposits." He states that very little development work has been done on the property outside the workings from which gold shipments were made in the old days. He shows by map that there is a zone of at least 1,500 feet in width that should be explored by diamond drill and deeper development in the region of the present workings. This has actually been done by diamond drilling and actual mining work will follow, he states, as soon as the various levels have been cleared of broken rock and ore.

Former workings Mr. Spearman regards as exploratory because they followed the deposit. On account of its sinuous form the main shaft could not be used to carry out any extensive development programme. It will be used to clean out the workings for a full examination and for hoisting more ore from the 70-ft. and 120-ft. levels. The cross cut at the 160-ft. level will be continued southeast to cut the downward extension of the ore body met in the shaft. This will be done in October and diamond drilling meanwhile is going on.

No systematic sampling could be done as the deposit is obscured by broken rock and ore. Grab samples from this rock, from the ore in place, from the dump assayed well but mean little, says Mr. Spearman, "except that it gave an indication that gold was present and that further sampling and development are warranted." As hoisted the broken rock and ore will be systematically sampled and then a complete survey of the workings taken with further sampling.

Rebuilding From Grass Roots

Pumping completed on August 20 showed that most of the ore came from above the 120-ft level and very little work has been done lower. A gang of men has been working at repairing the road from the railway, at erecting buildings and replacing all equipment "from the grass roots" as 30 years made almost complete havoc in the availability of old buildings and equipment still left in a gutted state. Mr. Spearman states that the company had to buy and ship to the property everything from a can opener to a compressor.

The start in prospecting the various claims will be done by diamond-drilling in obtaining a cross section in a northeasterly-southwesterly direction across the claims. The drill is now on the property and the first hole will be drilled so as to investigate the downward continuation of the ore body.

FLOUR TRADE STRENGTHENS IN PAST YEAR

(Continued from page 1)

barrel, an increase of about 20 per cent.

Other branches of the milling industry, such as oatmeal, rolled oats, corn meal and corn flour, did not record any material change in the past twelve months, at least from the point of view of production. This end of the milling operations is usually fairly stable as regards marketing, so that income from these items is likely to be around normal.

It is to be expected, therefore, that the millers' income statements for the past year will reflect a moderate improvement in both gross and net earnings. Unusual gains are not foreseen, but, on the average, the individual companies should be able to show better earnings on their capital stock than was the case in 1933. A brief review as to their earnings follows:

In the last three years—1931 to 1933—Ogilvie Flour Mills has not shown any unusual change in the trend of its net income, averaging about $750,000 annually. This amount has been sufficient to cover the $8 dividend on the common stock.

Maple Leaf Milling's income of late has been far from satisfactory, returns in the past two years being far below the average of recent years. Due to the limitation of earnings a reorganization has had to be carried out.

Lake of the Woods' statement for 1934 is expected to make good reading. From a deficit of $935,468 in 1931, earnings have recovered to an operating profit of $636,438 in 1933. Surplus profits in 1933 were equal to $1.32 on the common, and current reports are that last year's statement will show share earnings of $2 or better.

Western Canada Flour Mills is another operator which has been steadily improving its earning power in the last three years. Income for 1934 is expected to show a continuation of this improvement.

St. Lawrence Flour Mills has come ahead strongly since 1931 and in 1933 was able to pay a dividend on its common stock. A further increase is expected in income for the fiscal year ending this month.

International Milling Co., the other principal operator, has had a good record of earnings. Its common stock earnings since 1931 have averaged a little better than $9 a share, as against dividend requirements of less than $5 a share.

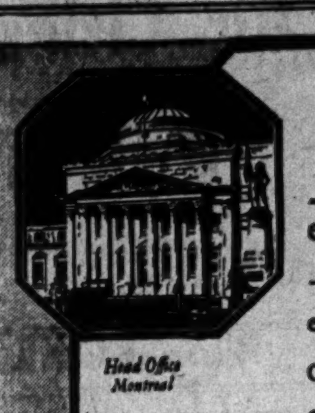
Canadian Zinc Output
Follows World Decline

Canada's zinc production in June declined somewhat from that of May, amounting to 21,617,223 pounds in the former and 26,132,534 pounds in the latter month. Output, however, was considerably higher than in June, 1933, when zinc produced amounted to 15,884,010 pounds. Production during the first six months of 1934 totalled 137,454,578 pounds as compared with 84,720,507 pounds in the same period of 1933. Valued at the average London price, which was 3.18 cents per pound in June and 3.35 cents in May, the Canadian output was worth $668,833 in June and $875,963 in May.

Canadian production merely followed the world trend for June as zinc output of the world declined 8.6 per cent to 98,831 tons. All zinc producing countries reported decreased production during the month and stocks held by the International Zinc Cartel on June 30 totalled 122,378 tons, a decline of 4,477 tons from the close of the previous month.

Manitoba Mineral Output

Manitoba mineral production in the first six months of 1934 was valued at $4,012,126 according to a preliminary estimate by George Cole, Provincial Director of Mines. Production in the corresponding 1933 period was valued at $3,117,000, indicating an increase of about $900,000.



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New Companies Act Goes Into Force Oct. 1

Accounting Expert Finds It Strictest Act in British Empire

The new Dominion Companies Act comes into force October 1, 1934, and will apply to prospectuses issued and financial statements of Dominion incorporated companies for periods ending on or after that date. In an address before the Dominion Association of Chartered Accountants in Montreal on September 7, Alfred B. Shepard, F.C.A., of Toronto states that the provisions with respect to auditing and the issuing of prospectuses are more stringent in this than in any act in any British country at the present time. He foresees a large drop in revenue for the Dominion Government as many applicants for charters will go to the provincial authorities where provisions are much less stringent.

Mr. Shepard considered the new act as perhaps one of the most interesting pieces of legislation that has been introduced in recent years from the standpoint of the profession of chartered accountancy. He states that members of the profession were consulted and given an opportunity to present the views of the various provincial institutes on the act as first drafted. Some of the suggestions were followed and others were not.

Accounting Difficulties Increased

A great number of large companies whose operations are carried on wholly without Canada, Mr. Shepard thinks, will be adversely affected by a Senate amendment which provides that operating accounts should be kept at the head office of the company "in Canada." As it left the House of Commons, the act provided that if the operating accounts were kept at some place outside Canada, there should be kept at the head office of the company (wherever situated) such comprehensive records as would enable the directors to ascertain with reasonable accuracy the financial position of the company at the end of each quarter. The words "in Canada" were inserted in the Senate and adopted by the Commons "before time for objection." This Senate amendment places a large number of companies apparently under the obligation of making arrangements for head offices in Canada for the keeping of the "books" as distinguished from "operating accounts." Mr. Shepard assumes that the term "operating accounts" refers more to detailed records of expenditures, revenues, etc., and that it is probably intended that such records shall continue to be kept at the place where the operations of the company are conducted, but that records, somewhat in the nature of control accounts, shall be kept at the head office to enable the directors to prepare therefrom profit and loss accounts and balance sheets without reference to the foreign books.

Surplus Accounts

The new provision that a statement of surplus should separate accounts for capital surplus, distributable surplus and earned surplus, Mr. Shepard thinks, will create a good deal of difficulty for companies which have been in existence for a good many years. They will apparently have to make a complete analysis of the surplus account to separate it into these component parts as of the commencement of the first period for which the new act is applicable. In some cases, this will be difficult to accomplish. The principle is right in his opinion, but he thinks that some future amendment should give relief in the case of companies established over a considerable period of years where there is not the same necessity for an analysis of prior transactions as exists in certain companies quite recently incorporated. Mr. Shepard also fears that the requirements making it necessary for companies to show the liabilities for taxes imposed by any taxing authority in Canada including those due and payable, might prejudice the case of a company which expects to justify assessment eventually on a much lower basis.

Underwriter or Purchaser

The very stringent provisions of the new act with respect to prospectuses and offers to the public, Mr. Shepard points out, appear to apply only to a direct offer by a company, or by any person on its behalf, of its securities to the public. Where securities were purchased outright by an investment banker, the latter became the owner of the shares. The act apparently does not purport to exercise control over such an investment banker's action in disposing of the securities any more than over the actions of any other shareholder in arranging for a sale of his stock holdings in any particular company. Mr. Shepard interpreted the act and the statements in parliament as expressing the feeling that the transactions of the investment banker were subject to provincial legislation. The statement was made by the Secretary of State that all of the nine provinces except one had imposed certain regulations and penalties under securities acts governing those dealing with and the subsequent sale of shares. Hon. Mr. Cahan thought that the provisions were stringent enough to make it impossible for investment bankers who were actually underwriters or agents for the company to becloud or color the issue by insisting that they were purchasers.

"In fact, the prospectus has to be sent out by the company," said Hon. Mr. Cahan, as quoted by Mr. Shepard. "If the underwriter sends out a prospectus, he is bound to make an affidavit that before he accepts an application for a single share, the applicant has had the prospectus in his hand. The bill goes further and gives the purchaser a certain time in which he may rescind his contract if there is a single mis-statement or misrepresentation in the terms of the prospectus."

Accountant's Responsibility

Mr. Shepard directed the attention of his hearer especially to the liability clause in Section 78, whereby directors and promoters are relieved from responsibility for any untrue statement in a prospectus made in authority of experts employed as engineers, valuers and accountants. Otherwise directors and promoters are liable to pay compensation "to all persons who subscribed for any securities of the company on the faith of the prospectus, for the loss or damage they may have sustained by reason of any untrue statement therein." Mr. Shepard does not read the act as making the accountant directly liable to purchasers of securities for honest errors, but they must be prepared to accept responsibility as professional men for errors arising through carelessness and inexactitude.

Much has been said about subsection 7 of Section 12 which limits to 25 per cent the amount which can be set aside as a distributable surplus from sale of no par shares. Of course, where a company acquires a going concern, the directors are allowed to set aside some further part of the consideration for the issue of its shares to acquire the company as a distributable surplus. The further amount must not exceed the unappropriated balance of the acquired company's realized net profits immediately before such acquisition.

No Par Distributable Surplus

Mr. Shepard points out that the tendency was to obtain funds for the establishment of a business by the issue of bonds rather than shares before the enactment of provision permitting the provision from the proceeds of no par stock of enough to make a distributable surplus. Interest on such obligations could be paid whether the company was earning money or not, whereas dividends could not be paid unless profits were available. It was the general feeling that it was preferable to have a capital set-up which was not overloaded with bonded indebtedness as compared with capital stock. Therefore a distributable surplus taken out of the purchase price of the shares established a fund to be used for dividends in the early stages of the company's operation. There were differences of opinion as to the soundness of this provision but the danger, which heretofore existed, has been largely reduced by limiting the amount which may be set aside to 25 per cent, in Mr. Shepard's opinion.

Mr. Shepard has some criticism to offer of the provision in Section 65, under which a company that has redeemed debentures previously issued, shall have the power to reissue such debentures unless any provision to the contrary is contained in the debentures or the by-laws authorizing their issue, or unless the company has, by shareholders resolution manifested its intention that the debentures shall be cancelled. It is reasonable that debentures pledged by a company to secure bank borrowings or other debts should, after their return to the company, be available for issue and sale, but Mr. Shepard questions the wisdom of a company having power to re-issue debentures which have already been issued and repurchased.

He says, "Pledged bonds are delivered as collateral and when the debt is paid they are redelivered to the company. When the company purchases its own bonds the debt is extinguished and I feel strongly that the company should not have the power to reissue such bonds. It is understood, of course, that many debentures under existing deeds cannot be reissued but there will no doubt be cases where this section of the act is invoked."

Wasting Asset Dividends

A clear definition of the phrase, "assets of a wasting character," was asserted by Mr. Shepard to be needed to make plain full bearing of the clause that "no dividends shall be declared when the company is insolvent or which renders the company insolvent or which will impair the capital of the company." Subsection 4 of Section 83 makes an exception in the case of "a mining company or a company 75 per cent of whose assets are of a wasting character." The latter can declare dividends so long as there remain enough assets to pay all liabilities except paid-up capital.

Investment Foundation Earnings Register Advance

From Our Own Correspondent

MONTREAL.—Earnings of Investment Foundation Ltd., an investment trust, have shown improvement during the past six months, according to official statement issued by the company. At the annual meeting of the company held earlier in the year, the president stated that net income then was running at a rate somewhat exceeding $2 a share on the outstanding preferred stock. This is considered to be on the conservative side, as income at the present time is in excess of that rate.

Dividends have been paid on the company's preferred stock as reported in 1929 when the stock was issued, but the rate was reduced from 75 cents quarterly to 37½ cents with payment on January 15, 1931. Two years later the company was able to increase the rate to 50 cents quarterly, starting with distribution of January 15, 1933, and since then quarterly payments have been maintained at the 50-cent rate.

Saint John Port Cargo Tonnage Up

From Our Own Correspondent

MONTREAL.—Import and export cargo tonnage through the port of Saint John during August showed a moderate increase over that reported for the same month a year ago. Import tonnage last month was 49,711 tons, as against 37,157 tons in August, 1933. There was little change in export tonnage, however, the figure of 25,718 tons for August this year comparing with 25,583 tons for the same month a year ago.

From the beginning of the current year to the end of August, inward and outward cargo tonnage handled at the port of Saint John totalled 1,111,062 tons, of which imports amounted to 415,423 and exports 695,639 tons. For the corresponding period of last year imports totalled 357,294 tons, exports 521,034 tons, an aggregate total of 878,328 tons.

SHOCK CREDITORS BY PLAN TO REVISE B. C. CIVIC DEBTS

Province Puts Debt Conversion Plan Up to Municipalities

From Our Own Correspondent

VANCOUVER.—Dealers in British Columbia's municipal bonds throughout Canada were shocked last week when Hon. Wells Gray, minister of municipalities, announced that they might as well prepare themselves for a general scaling down of interest. The plan, as applied to municipalities neighboring Vancouver, was outlined last week in The Financial Post.

Overhauling of the whole municipal finance set-up in British Columbia is foreseen as a result of the steps so far taken. The Pattullo Government originally sought conversion of its provincial debt at a lower rate of interest. Failing that, it has virtually told the municipalities that they cannot expect any new assistance from the province; that they should call in their creditors and make whatever bargain on interest rates may be possible on their ability to pay.

Not Compulsory

When he sensed the storm that had been caused by his initial announcement, Mr. Gray explained that the government was not trying to compel a debt conversion programme on the municipalities. The decision was optional with the municipalities. Representatives of several cities were quick to announce that they would not adopt Mr. Grey's suggestion.

Mayor L. D. Taylor, of Vancouver, said that this city would have nothing to do with the plan; declared that Vancouver was solvent, and that broadcasting of Mr. Wells's proposals would have a deleterious effect on British Columbia's municipal bonds everywhere.

Vancouver's Position

Government officials, however, were inclined to scoff at Mayor Taylor's statement. They pointed out that Vancouver would sooner or later have to face the facts, with its sinking fund in arrears some $6,000,000 and millions of dollars of its unsold bonds issued, but held by banks. They said that Vancouver could not sell its bonds at a reasonable figure even now, and that secrecy could not have been maintained inasmuch as all holders of the Burnaby and North Vancouver bonds would learn about such a deal anyway.

"We are merely offering to cooperate with the municipalities if they attempt to compromise over scaling down of debt interest with their bond holders," said Mr. Gray. "If municipalities come to us again, clamoring for financial assistance, we will be able to tell them that they have the remedy in their own hands: They can reduce their debt load and we will help them do it."

Debt Situation

The municipal debt of British Columbia stands now at $139,928,285. This principal under the new scheme will remain intact, but interest rates will be cut if the municipalities so decide. No municipality, however, is to be allowed to take unreasonable advantage of the scheme; there will be no "chiselling," according to Mr. Gray.

As to the attitude of the government on provincial bonds, it was pointed out that there would be no advantage in defaulting on any of these now. Such a course would save about $8,000,000 a year, but any gain would be offset by the Federal Government's withdrawal of funds loaned to the province against just such a contingency.

The real crisis will arise at the end of the present fiscal year, March 31, 1935, when the province will ask the Dominion for additional loans.

Robt. Mitchell Sales Score Advance This Year

From Our Own Correspondent

MONTREAL.—Sales of the Robert Mitchell Co. for the first seven months of the current fiscal year are officially reported to be about 40 per cent higher than sales for the corresponding period of 1933. With the increased sales, plant operations have been stepped up and while still considered as being below normal, the situation is substantially better than it was at this time last year.

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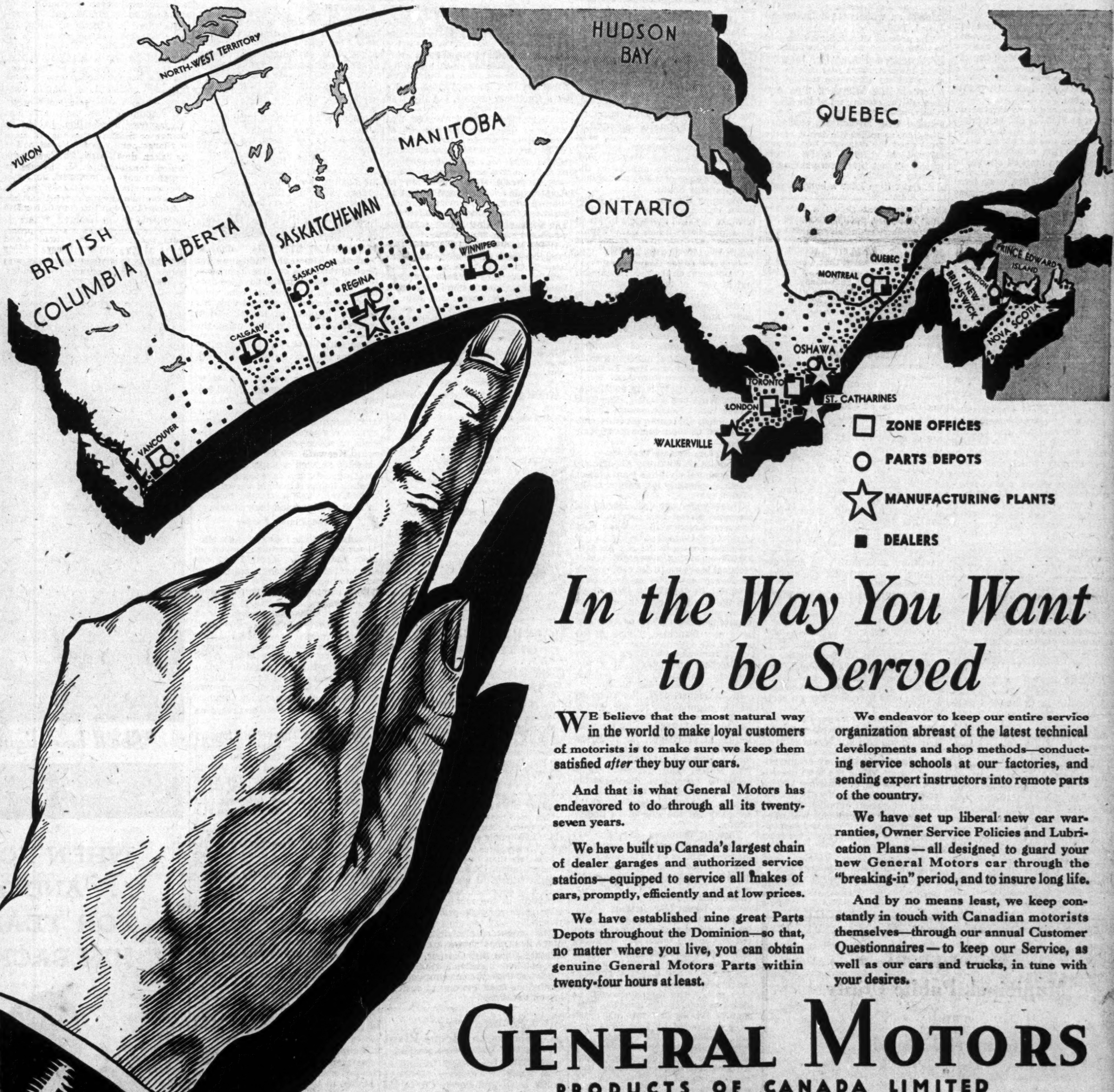

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Utilities and Transportation

B.C. POWER EARNS LARGER AMOUNT ON CLASS A STOCK

Share Earnings Equal $1.64 as Against $1.53 in 1933

From Our Own Correspondent

MONTREAL.—British Columbia Power Corp. reports an increase in earnings of 11 cents a share on its Class A stock in the fiscal year ended June 30, 1934, after making provision for operating expenses, bond interest, depreciation, taxes and dividends on subsidiary companies' preferred stocks.

Net profits for the past year totalled $1,645,530, or $1.64 a share on the Class A stock, as compared with $1,537,148, or $1.53 a share in 1933.

Gross Revenue Lower

The more favorable showing made this year was accomplished despite a decline of around $200,000 in gross revenue. Reduction in operating expenses was effected though the profit and loss statement shows an increase. This was brought about by inclusion of municipal taxes with operating expenses, whereas in other years such taxes were grouped with Dominion taxes.

Particulars of the income account follow:

	1934 $	1932 $	1933 $
Gross rev. .	12,626,674	12,825,555	14,356,841
Oper. exp. ..	6,065,548	5,804,571	6,642,903
Net rev.	6,561,126	7,020,984	7,713,938
Deprec.	1,825,202	1,827,104	1,869,804
Taxes	518,723	1,157,613	1,324,295
Balance	4,217,201	4,036,267	4,519,839
Bond int. & pfd. divs..	2,571,771	2,499,119	2,510,499
Balance	1,645,530	1,537,148	2,009,340
"A" divd. .	1,620,000	2,000,000	2,000,000
Surplus	25,430	*462,852	9,340
Prev. surp..	1,009,261	1,472,113	1,462,773
P. & L. bal.	1,034,691	1,009,261	1,472,113

* Debit.

Working Capital Position as at June 30

	1934 $	1933 $	1932 $
Curr. assets	7,600,437	7,546,798	7,961,404
Curr. liabs..	3,036,707	3,157,307	3,526,487
Net work. capital ...	4,563,730	4,389,491	4,434,917

Write Down Property

Due to a change in income tax legislation, B. C. Power Corp. has deducted its depreciation reserve from property account, with the result that the value of assets at the end of last June was $121,490,289, or roughly $24,000,000 less than previously reported.

Fixed assets are now carried on the books at $113,571,232, as against $137,682,197 in 1933, when the depreciation reserve totalled $23,834,505.

Aside from the depreciation reserve there is no marked change in the liabilities. The aggregate funded debt stands at $38,834,638, down from $38,849,091 a year ago. Underlying stocks of subsidiaries remain the same, while other changes are unimportant.

Among the assets cash on hand has declined about $700,000 to $1,426,077. Investments, on the other hand, have increased from $1,440,320 to $2,527,132, the market value of which is $2,405,981. No particulars are given.

Comments on Operations

In his report to the shareholders W. G. Murrin, president, had the following to say in part:

"While the revenue from all sources shows a decrease of $198,000 as compared with the previous year, we are glad to record that gross earnings show an increase in the latter half of the financial year over the same period last year. The revenue of our gas department was particularly affected by the extremely mild winter, which resulted in a curtailment in the use of gas for heating purposes. Owing to the recovery in business activity which has taken place, the revenue from transportation operations shows a slight improvement over last year. The volume of merchandise sales has been well maintained, and the number of electrical consumers has been increased by 1,070.

"Material reductions in expenses of operation have been effected, without impairing the efficiency of plant or services. The higher price of sterling has resulted in a charge of $73,370 being made in this year's accounts, to provide the money necessary to meet interest and dividends payable in London.

"During the year the additions to the vertical gas plant were completed and the plant brought satisfactorily into operation.

"In view of the intensive mining activity in the Bridge River district it was decided to utilize the company's existing facilities at Bridge River, together with machinery available from other of the company's stations, and to install a preliminary generating plant of 5,375 h.p. capacity and build a transmission line through the Bridge River valley to serve a number of mines in that area. This installation was completed in July, 1934, and several contracts with mining companies which are engaged in development work have already been entered into. The total expenditures during the year on capital account were $671,430.

Power Output Higher

"While there has been a slight increase in kw.h. output for light and power purposes, the revenue from this department shows a decrease from last year, partly accounted for by the reduction in rates which went into effect in the West Vancouver and Fraser Valley areas during the year. It is estimated that consumers will benefit to the extent of $46,000 this year by these reductions.

The following statistics relate to our light and power department:

	K.W.H. output	Meter installations	Motor load in h.p.
1934	324,155,963	123,368	163,378
1933	324,085,930	122,298	159,377

Produce Coal Gas

"The second unit of the new vertical gas plant was completed and brought into operation in December last, giving this plant a manufacturing capacity of 4,500,000 cubic feet per day. The production of gas is now entirely from coal, involving the use of approximately 70,000 tons of British Columbia coal yearly.

"The winter of 1933-34 was extremely mild, and as a result our heating load fell off substantially. Largely on this account the quantity of gas sold this year was below last year's total by 96 million cubic feet. The gas department has also been faced with intensified competition from oil fuel and wood-consuming heating appliances, and, to meet this condition, adjustments in our gas heating rates are being made effective immediately.

"The results of our gas operations are as follows:

	Gas sold cubic feet	Meter installations	Miles of main
1934	1,125,268,000	47,841	632.92
1933	1,221,304,000	49,269	604.39

"The decrease in the number of meter installations is principally accounted for by certain combination gas rates enabling the replacement of two-meter by one-meter gas services.

Railways Picking Up

"There are indications, particularly during the last six months of our present fiscal year, that the transportation results are on the upward trend. While the total passengers carried on our railway system for the year were less by 324,235, the results of recent months show an increase over the previous year. The financial results of our railway operations are still, however, far from satisfactory.

"The passengers carried and freight hauled are as follows:

	Passengers carried	Freight tonnage
1934	62,866,184	198,618
1933	63,190,419	218,776

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Consolidation Proposals Winnipeg Electric Group Approaching Actuality

Bondholders' Committee Meeting to Discuss Situation

FINANCES A PROBLEM

Hope Held Out Affairs of Group Will be Cleaned Up by Year End

From Our Own Correspondent

MONTREAL.—Representatives of the bondholders' protective committees of Winnipeg Electric Co., Manitoba Power and Northwestern Power meet in Montreal this week to discuss ways and means of consolidating their interlocking interests.

While negotiations are afoot to dispose of certain assets of the Winnipeg Electric Co. to the City of Winnipeg, it is understood that the consolidation plans will continue. Sale of the property, or properties, to the city would undoubtedly have an effect on negotiations, but irrespective of what happens it is believed that Winnipeg Electric and its two subsidiary companies should be merged into one strong unit.

Another Issue Maturing

The need for speeding up discussions on the consolidation is seen in the fact that at the beginning of next year Winnipeg Electric will be faced with the problem of paying off at maturity, or refunding, some $3,029,000 of 1st refunding mortgages outstanding in the hands of the public.

Winnipeg Electric and its subsidiaries affairs have become involved over the past three years. The parent company has not only had to contend with a non-profitable tramway system in which a large amount of capital is invested, but it is also the guarantor of principal and interest on $10,000,000 of 1st mortgage bonds of Northwestern Power Co. interest on which was defaulted on July 1, 1932.

The present situation may be said to have started with the inability of Northwestern Power Co. to meet bond interest. This was due to the sharp falling off in the market for power in the Winnipeg area and through the closing up of the Manitoba Paper plant at Pine Falls, coupled with an adverse exchange situation, as under the terms of the trust deed the company had to pay interest in United States funds which at that time, were selling at a heavy premium.

A short time later a bondholders' protective committee was formed. Efforts to arrive at a satisfactory solution for bondholders have been greatly hampered not only by the low level of industrial activity and consequent falling in demand for power, but because of the complicated situation in Winnipeg, with the city of Winnipeg, the Utilities Commission, the Winnipeg Electric Co. and the provincial government all being at variance. In addition minority groups of bondholders have been urging their views before these bodies and the conflict of suggestions apparently has made difficult a harmonious solution for all concerned.

Winnipeg Electric Defaults

Manitoba Power Co. has been able to fully service its bonds, but not so with Winnipeg Electric Co. The latter company had some difficulty on exchange with interest payments on its 5 per cent 1st refunding mortgage bonds in the early part of 1932, but this was straightened away. In the case of the 5 per cent refunding mortgage stock, interest due on October 1, 1933, was not paid until April, 1934, while interest due April 1, 1934, was paid on May 25, 1934. The same situation applies to the company's 6 per cent 30-year refunding mortgage bonds.

Winnipeg Electric also has fallen down on its guarantee of a small block of the first mortgage bonds of Winnipeg, Selkirk and Lake Winnipeg Railway Co., another subsidiary, which fell due on July 2, 1933.

Form Other Committees

Consequent on these developments and in view of the apparent necessity of carrying a reorganization which would affect the parent company and its subsidiaries, other bondholders' committees were formed a little more than a year ago to protect the holders of Winnipeg Electric refunding mortgage stock and bonds and the first mortgage bonds of Manitoba Power Co.

Physically, operatively and financially, Winnipeg Electric, Manitoba Power and Northwestern Power have much in common and a consolidation of their interests appears logical.

Tram System Troubles

Troubles of Winnipeg Electric are closely bound up in the tram system, which has steadily lost ground in the past 10 years.

Three years ago last March the company placed two proposals before a special committee of the Winnipeg City Council offering to sell the tram system to the city for $14,000,000 or asking a guarantee of a reasonable return to the company on its investment. The original franchise, which expired in 1932, stated that the city must give the company 12 months notice should it decide to purchase the system or negotiate for a new franchise, failure on the part of the city to renew the company's franchise obligating the city to purchase the system at a fair property valuation. The original franchise was extended to 1937.

In December, 1931, the company started negotiations for the sale of the company and its holdings to the city for $25,000,000; valuing the tram system at $12,000,000, the electrical distributing system at $9,000,000 and the gas system at $4,000,000.

In March, 1932, the civic transportation committee recommended that the Winnipeg City Council terminate all negotiations with the company for the sale of its undertaking.

Though Winnipeg Electric was successful last year in securing an increase in fares on its tramway system the additional charge was more than offset by a decline of 9 per cent in the volume of traffic between 1932 and 1933.

Looks Like Action

The latest development in the long-protracted negotiations occurred last month when the Winnipeg city council passed a by-law to provide for further negotiations with the company and a special committee appointed to arrive at a satisfactory price. The ratepayers will be asked to vote on the question. Passage of this by-law was a preliminary demanded by Edward Anderson, president of the company, before granting representatives of the city access to the company's books. An amicable settlement of the tram question would go a long way toward strengthening Winnipeg Electric Co.'s position.

Debate Power Plan For Patricia Area

With J-M Consolidated, Hudson Patricia, Casey Summit and Howey, all in the market for power or additional power, The Financial Post understands that a private Toronto contracting firm has offered to build the line from the Hydro plant at Ear Falls into these various properties at a cost of $2,500 per mile, this cost to be paid off in installments by the companies concerned, through sinking funds, and plus interest.

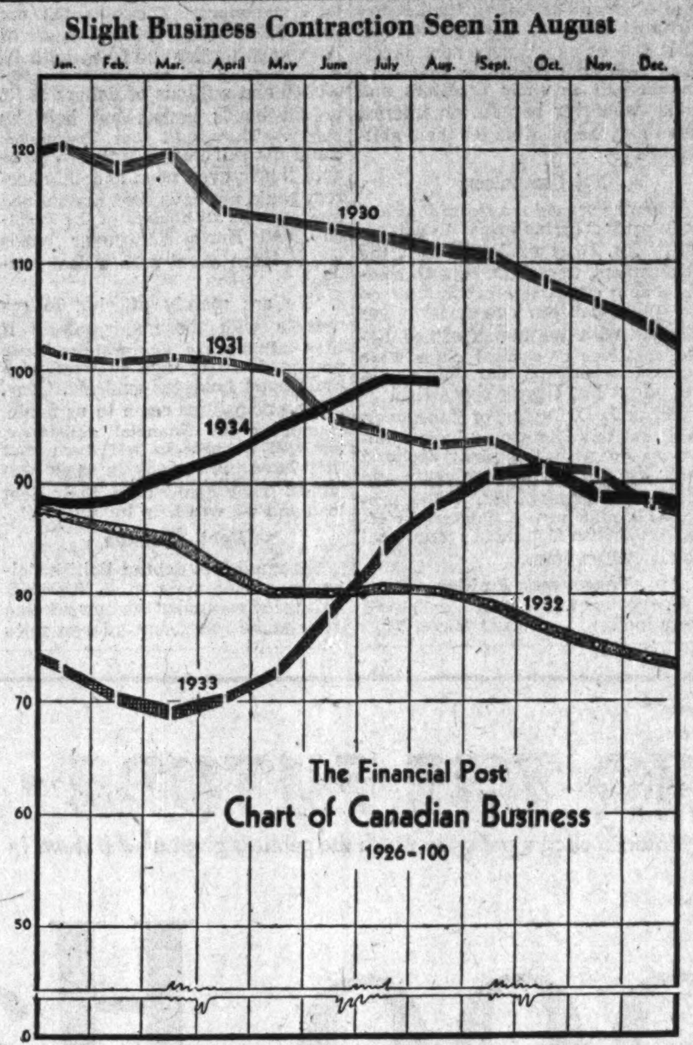
While nothing definite has been decided as yet, the plan is expected to receive favorable consideration inasmuch as it will ensure a power supply for these properties by March, whereas it is not thought that the Hydro would be in a position to complete the line by that time, although work on the addition to the Ear Falls plant is going ahead rapidly.

Public Utility Earnings

Southern Canada Power

August	1934 $	1933 $	Increase $
Gross earn.	173,376	170,962	2,414
Oper. exps.	71,936	65,601	6,335
Net earn.	101,440	105,361	*3,921
Gross earn.	1,988,911	1,924,686	64,225
Oper. exps.	730,471	692,017	38,454
Net earns.	1,258,440	1,232,669	25,771

* Decrease.



Slight Business Contraction Seen in August

The decline of .3 in the August Financial Post business index was accounted for entirely by the smoothing adjustment used in its compilation, the index actually showing greater activity during the month than in July.

Smoothing Process Alone Lowers Business Index

August Operations Actually Higher Than in July, The Financial Post Business Index Shows — Total Gain 41 Per Cent

By SYDNEY B. SMITH

Business operations in Canada continued to surprise the pessimists during August. Partial records without the smoothing adjustment indicate that somewhat greater activity was in evidence than in July. The Financial Post business index showed a fractional decline, but this was due to the smoothing process. The three months moving average was taken as usual for the purpose of eliminating minor irregularities. With this adjustment the standing of the index was not quite so high as in July. The actual records, however, indicate that production in August was actually greater than in the preceding month even after adjustment for seasonal tendencies. The Financial Post index was 98.3 compared with 98.6 in July.

A few comparisons may serve to establish the level of business operations in Canada at the present time and the extent of the recovery from the depths of depression in the early months of last year. The gain in the index of August over that of March, 1933, when the standing was 69.9 was nearly 41 per cent. Despite the unprecedented rise in the second quarter of last year, the increase over August, 1933, was about 11 per cent.

Reach 1931 Level

Although the immediate rebound from the depth of depression was extensive and rapid for the first seven months after the turning point, the continuance of the recovery is a demonstration of the strong foundation upon which it is based. During the last two months business operations have been at about the level of the first part of 1931.

The present position in Canada presents a strong contrast to that of the United States, where the situation has been deteriorating for the last four months. A comprehensive index of industrial production in Canada was 37 per cent higher during July than a similar index for the United States.

The financial background continued relatively favorable in August. Common stock prices averaged higher but the declining trend in New York cast a shadow over Canadian stock exchanges. The index of common stocks was 83.8 compared with 81.3. Wholesale prices reached a new high level on the present movement with the index at 72.3 compared with 72.0 in July. Crop products were the main influence in raising the general index. High-grade bonds continued the upward climb since the first of the year reaching a new high point since 1911. Demand deposits increased at the beginning of August more than counterbalancing the recession in notice deposits. Speculative trading was slightly more active than in July, resulting in an unbroken line of advances in major financial factors.

Mining—The seven indicators reflecting the trend of mineral production participated in the advance during August. Copper exports were 23,548,300 pounds compared with 21,203,000. Exports of nickel gained contrary to seasonal tendencies, the total being 11,840,000 pounds compared with 11,360,500. Lead production was heavier in the latest month for which statistics are available.

Zinc exports were 24,364,000 pounds compared with 19,071,000, the index moving up from 104.8 to 162.1. Shipments of gold to the mint and external points were 263,148 ounces compared with 249,419. The sales of silver were 1,352,600 ounces compared with 999,223. Exports of asbestos showed a slight gain. The mineral industry is evidently extending its operations in the current period, reflecting a stronger position in both precious and base metals.

Food Plants Busier

Foodstuffs—The index of the manufacture of food products moved up from 91.8 to 93.8. Wheat flour was greater after seasonal adjustment and the oatmeal output showed a gain. The index of sugar manufacture advanced from 75.9 to 87.1, the total in the last four-week period being 95,042,000 pounds. The meat packing industry was less active after seasonal adjustment, the index dropping from 122.4 to 115.4. After the elimination of seasonal influences, cheese exports declined slightly and a considerable drop was shown in canned salmon exports from the high level of the preceding month.

Lumber and Paper—The forestry index was higher at 98.4 compared with 96.7. Newsprint production at 216,164 tons compared with 208,258, continued at a high level. The index moved up from 130.8 to 136.5, showing an advance over the base year 1926. Wood-pulp exports were at a lower level. Exports of planks and boards were 13,514,000 feet compared with 14,000,000, the outward movement continuing at a relatively high level. The gain in exports of shingles to 180,440 squares from 94,760 was a bright spot.

Decline in Steel

Steel and Autos—The output of steel ingots showed moderate decline, while pig iron production recorded a gain both before and after seasonal adjustment. The decline in automobile production was greater than usual for the season, the index being 64.3 compared with 69.9. The production of automobile tires continued active, cumulative gains after seasonal adjustment being shown since the beginning of the year.

Construction.—While construction was at a relatively low level some improvement was shown during August in the booking of new business. Contracts and building permits showed gains contrary to seasonal tendencies, the index being up at 40.7 compared with 35.5. The gain in carloadings was slightly more than normal for the season, the total being 204,552 cars compared with 187,876.

Trade — External trade declined slightly from July, the recession in exports being less than normal for the season. The index of exports consequently advanced from 76.7 to 77.3. The decline in the adjusted index of imports on the other hand was from 72.2 to 70.0.

MONTREAL POWER OUTPUT INCREASES

Electricity Generated Continues Upward — Gas Sales Climbing Up

From Our Own Correspondent

MONTREAL.—Electricity output of Montreal Light, Heat & Power Consolidated totalled 75,484,660 kw.h. for last month, as compared with 72,682,260 kw.h. for the same month last year, an increase of 3.86 per cent, according to an official statement issued by the company.

Gas production totalled 422,142,000 cubic feet for August compared with 424,165,000 cubic feet for August last year, a decrease of 2,023,000 cubic feet or less than 1 per cent. With increased industrial and domestic activity common to autumn, September, it is expected, will show a resumption of the monthly increases over corresponding periods of last year.

The output of electricity, on the other hand, has shown a consistent increase since last October, despite the seasonal industrial decline and the lower domestic consumption due to absence from the city of customers on vacation.

Nova Scotia Power Turns to Steam Plant

From Our Own Correspondent

MONTREAL.—Drought conditions have made it necessary for Nova Scotia Light and Power Co. to use its stand-by steam plant for the generation of electricity in order to meet the power demands of Halifax and Dartmouth users. It is estimated at present that more than 50 per cent of the power consumed in the area is being generated by steam.

The prolonged scarcity of rain has put the lakes at their lowest levels in years, and not since 1930 has the company had to resort to steam power. At present 14 men are employed in filling seven furnaces with 75 tons of coal a day to supply the required energy and the cost of operation is doubled.

Quebec Shows Smaller Deficit of $5,594,473

A deficit of $5,594,473 for the 1933-34 fiscal year ended June 30 last is reported for the province of Quebec, compared with a deficit of $6,840,908 in the 1932-33 year.

Actually the improvement is much more substantial than the figures indicate because of a change in the system of provincial accounts. The 1933-34 accounts were drawn up to include only revenue applicable to the period, whereas formerly it had been the practice to take in uncollected revenue from the preceding year. Had the old basis been followed, the 1933-34 deficit would have been $3,441,637. The new practice, which was recommended by Price, Waterhouse & Co. in 1931, will henceforth be followed by the province, according to Hon. R. F. Stockwell, provincial treasurer.

QUEBEC BUDGET EXPERIENCE
Years Ended June 30

Year	Revenue $	Expenditure $	Deficit $
1933-34	28,282,504	33,876,977	5,594,473
1932-33	31,023,889	37,864,797	6,840,908
1931-32	36,941,020	37,525,720	584,700

Mr. Stockwell points out that total estimates for the year allowed for expenditure of $36,377,903, and that the province kept well within this figure.

Plan to Start Drilling On Packsack Property

Packsack Mines, recently formed with H. R. Drummond-Hay as president, to develop a group of claims formerly owned by the Montcalm-Tine Mines in the Rice Lake district of Manitoba announces that Dr. J. F. Wright has been retained as geologist while the actual work will be under the immediate supervision of Llewelyn Chamberlin, mining engineer. Officials of the company announced that drilling is to commence immediately to run concurrently with surface work, trenching, stripping, and test pitting.

The property lies two miles south of the transmission line running from Great Falls to San Antonio Gold Mines. It is announced that the present work will be concentrated largely on the Clappelou and Tine claims on the group. These have recently been the subject of examination by Dr. Wright who reports there is a body of schist on the Clappelou varying from two to 50 ft. in width. This has been trenched for 800 ft. along its strike. On the Tine group one of the veins has also been trenched closely and this body, 1,300 ft. in length, contains a schist and quartz body, officials report.

Directors in addition to H. R. Drummond-Hay include R. B. Law of Beeton, Ont.; E. G. Vatcher, Toronto; H. G. Tucker and R. R. Collard of Winnipeg. A. J. Milligan is secretary. It is proposed to issue sufficient stock to return $50,000 for the development plant which is being done through the firm of Nesbitt Thompson & Co. Ltd.

Province of Saskatchewan Bonds Yielding 5.20%

The new issue of Province of Saskatchewan 4% Bonds due September 1st, 1954, yielding 5.20% to maturity, provides an excellent opportunity to invest funds at a substantial interest rate.

Saskatchewan is the third largest province of Canada in point of population. According to recent official estimates, wheat production within the Province this year will be more than 41% of the total for Canada.

Price: 85.19 and interest, yielding 5.20%

Descriptive circular gladly forwarded upon request.

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WHEN YOU MEET AN OLD FRIEND ... AND YOU HAVEN'T SEEN HIM FOR YEARS ... AND YOU INVITE HIM BACK TO TOWN WITH YOU ...

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News of Investment Markets

BONDS HESITANT AS LOANS PLACED WITH DEALERS

Dominion Loan, Exchange Premium Overhang Market

Hesitancy appeared in Canadian bond markets in the week ended Sept. 18. Gilt-edged issues sustained recent gains but failed to improve them. Western provincial issues and corporation liens were inclined to softness with movements selective on the basis of current developments.

New bond offerings may have been partly responsible for the market stalemate. A block of $5,000,000 Saskatchewan 4's was offered at 85.19 to yield 5.19 per cent. Beauharnois Light, Heat & Power 5½'s were offered institutionally. And Nova Scotia placed $3,510,000 of 3's in dealers' hands. Moreover the forthcoming Dominion loan overhangs the market.

Other Factors

The premium on the Canadian dollar does not conduce to strength in bonds. And to cap it all the Dominion called for subscriptions to the $5,000,000 capital of the Bank of Canada.

The standstill in gilt-edged issues is shown below:

Average Yield and Price on Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Sept. 18	3.750	110.94	Sept. 18	4.381	104.16
Sept. 17	3.739	111.08	Sept. 16	4.373	104.26
Sept. 15	3.739	111.07	Sept. 15	4.373	104.28
Sept. 14	3.739	111.07	Sept. 14	4.383	104.19
Sept. 13	3.739	111.07	Sept. 13	4.381	104.26
Sept. 12	3.739	111.08	Sept. 12	4.393	104.16
Sept. 11	3.736	111.11	Sept. 11	4.386	104.23
Aug. 31	3.740	111.03	Aug. 31	4.359	104.59

B. C. Issues Down

The feature of movements among western provincial bonds was softness in B. C. issues, attributed to the recently announced plan to adjust municipal debt in the province on a wholesale scale. Losses in B. C. loans ran up to two points, and placed the province's bonds well below Manitoba and Alberta issues. There was a slight inclination to weakness in Saskatchewan bonds, but Manitoba and Alberta loans offset losses with gains.

Among active corporation bonds, International Hydro's featured with a drop of 8¼ points to 41¾ bid, after a 3¼ point loss in the previous week. The move was due to nervousness caused by deferring of the preferred dividend. C. P. R. issues added substantial losses to those of a week ago. Montreal Tramways bonds were also soft, reflecting operating problems. Among the brighter spots, Gypsum, Lime 5½'s gained 2½ points to 77 on the strength of improving business. Dominion Tar 6's were also a strong spot. The general tone of the corporation bond market was easier.

Offer 75,000 Shares International Bronze

Public offering is being made by Nesbitt, Thomson & Co. of 75,000 six per cent preferred shares of International Bronze Powders at $23 a share. The issue was originally announced in August in The Financial Post.

Through wholly owned subsidiaries, the company operates plants at Valleyfield, Que., Malone, N.Y., and Closter, N.J., the Canadian plant being the only one devoted to manufacture of bronze powders in the British Empire. The principal uses for bronze and aluminum powders is in decorative and graphic art work.

While dividends on the parent company's preferred shares will require $112,500 per annum, it is stated that earnings of the subsidiaries after depreciation and taxes in 1933 were $288,433, and that for the past five years the average of annual earnings on the same basis was $126,627.

Dominion Stores Sales Off $121,195 in Four Weeks

Sales of Dominion Stores Ltd. for the four weeks ended Sept. 8 were $1,349,203, compared with $1,470,398 in the corresponding period of 1933. This is a decline of $121,195, or 8.24 per cent.

Sales for the period from Jan. 1 to Sept. 8 totalled $13,199,057, compared with $13,523,258 in the same 1933 period. The decline for this period totalled $324,201, or 2.4 per cent. Despite higher prices for produce and groceries, the company has shown a gain in sales over 1933 in only one of the nine four-week periods to Sept. 8.

Bond Sales

Nova Scotia

Province of Nova Scotia has sold $3,510,000 of five-year three per cent bonds to a syndicate headed by the Bank of Montreal at 99.32, a cost basis to the province of 3.15 per cent. Bids were obtained on three bases, as follows:

	5-yr. 3%	10-yr. 3½%	15-yr. 3½%
Bk. of Mtl., Hanson Bros., Harison & Co., McTaggart H. B. & G., F. W. Kerr & Co.	99.32	99.55	...
Wood, Gundy & Co., Dom. Secs., A. E. Ames & Co., Royal Bk., Bk. of Comm., Eastern Secs.	*98.13	†96.16	†94.65
Bk. of N. S., Dom. Bk., McLeod, Y. W. & Co., Bell, Gouinlock & Co., Fry, M. S. & Co., N. S. Bond Corp.	98.05	97.14	97.04
Griffis, F. & N., R. A. Daly & Co., Midland Secs., Matthews & Co., C. H. Burgess & Co., Dyment, A. & Co., J. L. Graham & Co., Gairdner & Co., Cochran, M. & Co.	....	96.67	....

*For $1,500,000 and option on balance.
†For option.

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities: 1929-33:*	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
Weekly Figures, 1934:										
Sept. 6	98.7	8.9	74.1	159.5	72.8	131.8	115.7	122.1	50.8	91.1
Sept. 13	96.2	8.9	72.5	155.5	72.3	129.6	109.6	118.8	49.9	89.1

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 18 close	93.48	125.06	85.58
Sept. 17 close	92.90	123.89	85.17
Week ago	94.63	127.05	87.01
Month ago	97.75	130.79	90.78

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 18 close	61.3	53.6	56.2
Sept. 17 close	61.4	53.5	56.1
Week ago	61.7	53.7	56.4
Month ago	64.3	55.9	58.7

Film Companies Bear Up

WITH Paramount Publix in receivership and many other companies skirting the ragged edge of bankruptcy for awhile, general market opinion has favored leaving these stocks severely alone. Certainly the shareholder has not found his investment of some years ago a paying one. His losses have been serious.

Canadians are mainly interested in Paramount Publix and Famous Players Canadian Corp. Both these have been coming back and a reorganization plan for Paramount is expected in October.

According to Dr. Giannini, chairman of the executive committee of the Bank of America, the situation of film companies is much more attractive than most investors think. He states that while railroad business was slumping, steel plants closed and factories on short time during the depression, the film business gave a good account of itself: no studio was dismantled or abandoned; output was not curtailed; more money was spent in it at the height of the depression than at any other time; and all loans his bank had made were liquidated. He had loaned millions of dollars in every year of the depression and he had not lost a nickel.

Chief executives of Famous Players of Canada also say to those who wonder about their bond interest: "Compare our record with that of every other company in the depression. We stand up well in such a comparison."

* * *

Canada's Surplus Grain Wanted

MILLING companies, elevator companies and grain companies in the next year may find the demand for Canadian wheat greater than for years. European dealers, according to Sir Herbert Robson in The London Times, have let their stocks run down practically to zero. With a shortage and higher prices in prospect, they are likely to reconstitute their stocks. This will add to European purchases from Canada.

Exporters to the United Kingdom have, however, a very strong interest in the course of sterling, which now occupies a very unstable point between dollar and franc prices. Many fear an impending depreciation of the pound, as a result of the United States influence. If the United States dollar undergoes further depreciation Great Britain will be in the delicate position of knowing that depreciation of the pound sterling will have an important effect on gold currencies, both blocked and free. An early break-up of the gold bloc is not expected because the present Doumergue Government is against it and the average Frenchman is against it. Great Britain does not desire to force it, but if President Roosevelt devalues the dollar further no one knows how far it will go.

* * *

Dominion Coal

DOMINION COAL CO.'S preferred stock has recorded a sharp advance in market values in the past few days. This company, which is a subsidiary of Dominion Steel and Coal Corp., is currently reported to be earning substantially in excess of dividends, which have been in arrears for a number of years.

As pointed out in The Financial Post several weeks ago a movement is under way whereby an arrangement may be made with the parent company which will eliminate the arrears of dividends which now total about $73.50 a share. The proposal, details of which are reported to have been agreed upon, provides for reducing the present dividend rate from 7 to 6 per cent and increasing the number of shares from 30,000 to between 50 and 60 thousand shares of $100 par. The new stock will be given to the old shareholder in lieu of dividend arrears. In adopting such a proposal the way will be made clear for the company to resume dividends on this stock.

* * *

What Does U. S. Drink?

ALTHOUGH it is as hard to say what Canadian distillery companies will eventually receive from the United States for the 25,000,000 gallons of American type and other liquor available as it would be to prophesy the results of the next Dominion election, there are some straws to show which way the wind blows. Though the Customs tax still remains the great barrier to quick sale, other more permanent factors are making themselves gradually apparent in the changed drinking tastes of the United States drinkers.

Statistics are admittedly partial, faulty and inconclusive because bootleggers and smugglers do not submit their data. Nevertheless liquor sales have been plotted for certain states and cities with diverse and yet interesting results. One New York City survey indicates that rye whisky blends are far more popular than bottles in bond or than straight whiskies. Prior to prohibition in 1917 between 75 and 85 per cent of all hard liquors consumed were blends, but these surveys show now only 70 per cent of the rye and bourbon consumed in blends That is a big lead, however, over the other varieties.

Since April, seven of the best New York hotels report an increase of business in their dining rooms of from 40 to 300 per cent and averaging 121.9 per cent.

* * *

U. S. Drinks Less

NEVERTHELESS Philip Frank in "Advertising and Selling" concludes that the present consumption runs well under the lowest pre-repeal estimates. He thinks liquor drunk during the first year of repeal will be between 40 and 75 million gallons of liquor as against 80 million gallons for an average pre-prohibition year. Gin has gained materially in popularity for nation-wide consumption in the last 15 years. Scotch has always had limited popularity. The Allegheny Mountains are still the Great Divide so far as the liquor industry is concerned: rye to the East, bourbon to the West.

Accurate figures are difficult to obtain, however, because of the large amount of bootleg whisky still being consumed. Some Federal experts estimate this as from 50 to 62 per cent of the total liquor consumption. Rum Row is still doing business and at lower cost than the legitimate liquor business paying high duties and taxes.

* * *

"As Drinks Michigan . . . . ."

BECAUSE the State of Michigan has sold at low prices and until recently has sold entirely through its own liquor stores, its tale of the first four months has been studied closely to gauge the trend to various types of wines and liquors. The following percentages are reported:

	%		%
American Rye	31	Canadian Rye	4.3
Bourbon	28	Scotch	3
American Gin	15	Imported Wines	2
Domestic Still Wines	6.5	Cordials	1
Imported Gin	6	Processed Cocktails	.04

This table shows imported liquors and wines accounting for 16.3 per cent of the total sale. Before prohibition these ranged between 2 and 2½ per cent, and therefore gives probably the Canadian product a much better chance than before 1917.

The results of the survey made from May 15 to 30 in Richmond, Va., shows straight whisky in the lead over blends:—

Straight whisky—55 per cent of all hard liquor sales.
Straight whisky—76 per cent of all whisky sales.
Blends—17 per cent of all hard liquor sales.
Blends—23.7 per cent of all whisky sales.
Bottled in bond—Less than 1 per cent of all whisky sales.
Scotch whisky—One-half per cent of all whisky sales.
Gin—25 per cent of all hard liquor sales.
Domestic wine—81 per cent of all wine sales.
Imported wine—19 per cent of all wine sales.
Wine—3.05 per cent of all money spent in State Liquor Stores.

The Pennsylvania State Liquor Commission figures for state district No. 4, including Pittsburg for the six weeks from March 24 to April 28, gives a very different result.

Type	Sales	% of Total
Blended whisky	88,829	49
Straight (young) whisky	38,738	21.4
Bottled in bond whisky	2,669	1.5
Bottled in bond Canadian	2,695	1.5
Imported Scotch	1,574	.9
Imported Irish	148	.08
Domestic gin	40,357	22.2
Domestic Vermouth	107	.06

One New York City liquor store for the first three months of repeal on the other hand showed that Scotch whisky made up 23 per cent of the sale, straight rye 23 per cent, gin 22 per cent, blends 13 per cent, brandy 6.3 per cent, and apple jack and cordials 4.7 per cent, rum 4.55 per cent, Bourbon 2.45 per cent, and Irish whisky 1 per cent.

* * *

Flyers in Inflation

ONCE again international investors, with "hunches" of a new period of currency instability, are scurrying into whatever investments they think would be best in a time of inflation, i. e., into gold, equity stocks and real property. The French, of course, take it as a matter of course that the dollar will be devalued eventually in terms of gold from 59 cents to 50 cents and that the pound will follow. Those who agree with them are flying from the pound and the dollar, but where will they go? Certainly not into a gold country like France because in France as well the dispute waxes furious as to whether it is best to deflate or devalue the franc in terms of gold.

With the advent of silver exchanges in Montreal and Toronto, Canada may bear a part in the upward rise in value of silver if it occurs. If such a rise goes far that may have still further effect on the currency problem of the future. In the United States the matter is further complicated by fears as to drastic administration of the New York Stock Exchange when the recent federal legislation becomes effective shortly.

Many are selling gold stocks because of exchange irregularities and some are buying because of the expected gold devaluation of the dollar. If France leaves gold eventually then the pound, dollar and franc have to arrive at a new relationship. But with the United States president thinking in terms of internal needs of United States, the end is still obscure to the market.

Nevertheless equities are being carefully considered by investors who believe inflation is coming. Others hesitate on the grounds that, though the trend seems that way, the United States is not yet irrevocably committed to inflation. Improving business would be better than inflation for such stocks, but in default of a continuance of the advance made in the last year many believe political exigencies may lead to inflation. One promising indicator is an upturn in commercial loans in the United States. If that is a preliminary to a renewal of the advance halted in recent months, inflation might be deferred again for an indefinite period.

Advising on Silver Futures

J. CHESTER CUPPUA,
Vice-president of Commodity Exchange, Inc., New York City, now advising Toronto Stock Exchange on forming a silver futures department.

JULIUS B. BAER,
of Baer & Marks, counsel for Commodity Exchange, advising Toronto Stock Exchange on establishment of silver exchange for world-wide trading.

Central Bank Stock Offering Oversubscribed in Two Days

Offering of $5,000,000 Bank of Canada shares announced Sept. 17 was over-subscribed within 48 hours, but the subscription list is being kept open to allow all Canadians a fair chance to place orders for shares at the offering price of $50 each.

So heavy was the demand for shares that supplies of subscription forms at bank branches were rapidly exhausted.

Even the Department of Finance at Ottawa, where enquiries for shares have been pouring in for months, was surprised at the heavy volume of subscriptions. It is believed that a substantial number of subscriptions have been made by individuals interested chiefly in the possibility of speculative profits in the shares, which, they hope, will sell at a premium of $5 to $10 each after allotments are made. While plans to list the shares on stock exchanges have not been announced, it is anticipated that a "street" market will develop among security dealers because there is likely to be a widespread public demand for trading in the shares. Public demand for a market, in the form of numbers of buyers and sellers is the chief requisite to trading in such shares.

Announcement of allotments by the Department of Finance is expected to be made shortly after closing of the subscription books on Sept. 21. But the large volume of orders will necessitate some delay. Applicants for small amounts of stock will probably receive greater proportionate allotments than those who put in for larger blocks. A very broad geographical and numerical list of initial shareholders is expected to result.

Alberta Shows $1,878,031 Deficit in 1933-34 Year

A deficit of $1,878,031 has been announced by J. Russell Love, provincial treasurer of Alberta, with issuance of the public accounts for the year ended March 31, 1934. This compares with a deficit of $2,107,521 in the 1932-33 year and $5,153,051 in 1931-32.

The accounts show that the total public debt at March 31, 1934, was $144,548,662 of which $132,143,064 was funded and $12,405,597 floating debt.

The reduction in the 1933-34 deficit was chiefly due to a decrease in expenditures because revenue was lower than in the preceding year. Comparative figures follow:

ALBERTA BUDGET EXPERIENCE
Years Ended March 31

	Revenue $	Expenditure $	Deficit $
1933-34	15,178,607	17,056,638	1,878,031
1932-33	15,426,264	17,533,785	2,107,521
1931-32	13,492,430	18,645,481	5,153,051

Southern Canada Power Profits Easier in August

From Our Own Correspondent

MONTREAL.—Increased expenses offset Southern Canada Power's gain in gross income last month. Revenue from all sources totalled $173,376, as against $170,962 in August 1933. An increase of $6,335 in expenses, brought net earnings down to $101,440 compared with $105,361 the same month last year.

For the first eleven months of the current fiscal year ended August Southern Canada had a gross income of $1,988,911, expenses $730,471 and net earnings $1,258,440. For the corresponding period of 1932-33, the company reported a gross income of $1,924,686 and net revenue of $1,232,669.

Bond Tenders

4 p.m., Sept. 21, City of Quebec—$3,699,000 as follows: $1,121,000, 4 per cent 5-year bonds, dated Oct. 1, 1934, due Oct. 1, 1939; or $1,121,000 serial bonds, dated Oct. 1, 1934, due as follows: $200,000, 1935; $200,000, 1936; $200,000, 1937; $200,000, 1938; $321,000, 1939; $2,578,000, 4 per cent 16-year, dated Oct. 1, 1934, due Oct. 1, 1950; or $2,578,000, 16-year 4½ per cent dated Oct. 1, 1934 with sinking fund on a basis of 30 years. Superintendent, Banque Canadienne Nationale, St. Peter St., Quebec.

4 p.m. Sept. 28, Township of Teck—(1) $50,000, 4½ per cent, 10-ins., public school debentures; $65,000, 4½ per cent 10-ins. waterworks and relief, dated Oct. 1, 1934. (2) $20,000, 6 per cent, 5-ins. public school, dated Oct. 1, 1934; $19,320, 6 per cent, 15-ins., waterworks and sewers, dated July 27, 1934; $6,400, 6 per cent 10-ins. waterworks and sewers, dated Oct. 1, 1934. J. W. McBain, clerk and treas., Kirkland Lake. (See announcement on page 12).

SASKATCHEWAN DEBT PROBLEM IS ALLEVIATED

Short-term Debt Cut But Loans from Dominion Remain

While Saskatchewan has a large financial problem, recent developments indicate that pressing needs have been substantially alleviated. It is reported to The Financial Post on good authority that the Dominion Government has agreed to make advances to the province of some $4,500,000 to take care of open account debts created to pay various relief costs. This would mean that the province's short term debt is to be owed, $32,500,000 to the Dominion and $10,000,000 or less to banks.

The loans from the Dominion are not pressing, and both governments realize that they cannot be conveniently pressed for the present. Also there is some possibility that a large part of the debt to the Dominion will be wiped off by an award by the Arbitration Commission appointed to consider the value of lands alienated by the Dominion in the province between 1905 and 1929.

Bank Loans Down

The loans from banks have been reduced to about $10,000,000 by sale of a recent $3,000,000 debenture issue and by the reported $4,500,000 loan from Ottawa. The amount will be further reduced by sale of the current offering of $5,000,000 of bonds.

The other major financial problems concern this year's loans for seed grain, feed, and direct relief. Arrangements are expected to be made to have the seed grain advances handled by mortgagees of farm lands under provincial guarantee. Needs for feed and direct relief for the coming winter are estimated at $12,500,000 This is a problem that will have to be solved by negotiations between the province and the Dominion Government. If it is settled satisfactorily, as is expected, it is evident that the immediate financial problem of the province will be confined to dealing with the advances of some $10,000,000 from banks. Success of current financing would reduce this figure materially. This would leave the debt to the Dominion as a major, but longer-term, problem.

Rubber Exports Gain

Exports of Canadian rubber goods in July showed a gain of more than 56 per cent over the same month of last year.

CANADA BISCUIT REORGANIZATION TO BE DELAYED

Change of Control Means Change in Scheme to Reorganize

Proposed reorganization of Canada Biscuit Co., which was to have been considered by bondholders at meetings in Montreal, Sept. 24, will be deferred. No action will be taken at the bondholders' meetings, it is understood from sources controlling large blocks of the bonds.

The company went through one reorganization in 1932, and it is understood that large bondholders and the new interests now in control of the company wish to complete a thorough investigation before undertaking another financial revamping of the property. One objective is to avoid any possibility of still another reorganization.

A new scheme of reorganization is to be drawn up as soon as possible, it is understood. Both the company and bondholders are anxious for action that will clarify the position of the company. Following the 1932 reorganization, interest on the 6½ per cent first mortgage bonds was defaulted on May 1, 1934. There are $1,790,500 of these outstanding junior to $300,000 of prior lien bonds; and there are 89,000 shares of common stock. Most of the prior lien bonds and most of the common stock were recently acquired by Nathan Cummings and Montreal associates. The Sun Life Assurance Co. held $360,500 of the 6½ per cent first mortgage bonds in 1932 and is believed to be still a large holder.

Meetings of the two classes of bondholders were originally called for June 5, following the default of interest May 1, and were adjourned to June 26 for lack of a quorum. In the meantime control of the company had been acquired by the Cummings group through purchase of prior lien bonds and common shares. Consequently the prior lien bondholders adjourned their meeting for 90 days to allow time to examine the company's affairs. And the first mortgage bondholders did likewise, as the reorganization proposed to them depended on prior action by the prior lien holders which was not taken.

The new controlling interests have been making a thorough investigation of the properties, business and accounts of the company. When this survey is completed, it is anticipated that a reorganization scheme will be proposed to first mortgage bondholders.

Wineries Oppose Grape Price Rise As Exorbitant

Executives of large winery companies express themselves as not greatly concerned about the decision of certain district locals of the Niagara Grape Growers Association to ask for a Stevens price spread enquiry into the costs and profits obtained. They claim that contracts were made for their entire supply needed at $40 a ton and that most of those complaining did not sell grapes to them for wine purposes in any event. They say the price is very liberal.

Apparently the winery companies will be more concerned about representations made to Premier Hepburn than the price of $40 a ton fixed for grapes by E. G. Odette, Liquor Control Board Commissioner. They wanted $50 a ton for their grapes as adequate compensation for the grape growers.

The wineries are understood to represent that their trade should not be subject to arbitrary costs which are higher than their competitors in other countries. They have paid at the request of the Ontario Liquor Control Board in other years $40 a ton when the same grapes were selling in the market for other purposes at $15 a ton. Under the circumstances a high price was giving an advantage to small makers who would get the grapes at a cheap price, though ostensibly for other purposes. Such growers as grew their own grapes and made wine would also have another advantage of cost.

The grapes grown each year, wineries state, are far greater in volume than are needed for wine consumption. The price trouble has grown because the crops are in some years far greater than are wanted for all purposes. They state they are willing to pay premiums for grapes especially adapted for wine-making, but that Concord grapes are not the best grapes for most types of wine.

The matter is causing certain wineries to grow their own grapes as the cheapest way of getting both type of grapes wanted and a lower cost for this important raw material.

August Life Insurance Sales Drop to New Low Point

Sales of ordinary life insurance in Canada during August touched the lowest point in almost a decade according to figures released this week by the Sales Research Bureau of Hartford. The figures are on a paid-for basis and represent the business of companies with approximately 91 per cent of the total business in force in Canada.

August sales were placed at $26,659,000 as compared with $33,951,000 of business paid for in the previous month and $30,846,000 placed a year ago. The decline for the month as compared with August last year was 13.5 per cent.

All Areas Decline

By provinces all areas show a decline in sales compared with July, the drop in Ontario and Quebec being particularly noticeable. Only two provinces—Nova Scotia and P. E. I.—and Newfoundland, showed a larger volume of business placed in August than in the same month of 1933.

Cumulative sales for the first eight months of the year are now roughly two per cent less than a year ago at $249,751,000.

Comparative figures for each province with monthly sales since 1932 when the new revised figures were first compiled, follow:

	Aug., 1934 $	July, 1934 $	Aug., 1933 $
B. C.	2,004,000	2,253,000	2,261,000
Alta.	1,159,000	1,437,000	1,414,000
Sask.	858,000	1,175,000	1,185,000
Man.	1,504,000	1,706,000	1,754,000
Ont.	10,724,000	14,408,000	11,846,000
Que.	8,100,000	9,955,000	10,130,000
N. B.	707,000	933,000	890,000
N. S.	1,173,000	1,510,000	1,071,000
P. E. I.	130,000	161,000	106,000
Nfld.	300,000	413,000	189,000
	26,659,000	33,951,000	30,846,000

Total Sales:	
Eight months, 1934	$249,751,000
1933	255,609,000
Decrease (per cent)	—2.1%
Decrease August, 1934 from August, 1933	—13.5%

(B) Sales by Months, 1932-34

	1932 $	1933 $	1934 $
Jan.	39,289,000	31,114,000	27,925,000
Feb.	40,636,000	28,776,000	29,493,000
March	39,858,000	32,046,000	32,966,000
April	35,922,000	31,666,000	33,296,000
May	33,653,000	32,938,000	33,184,000
June	43,912,000	35,217,000	32,277,000
July	36,720,000	33,006,000	33,951,000
Aug.	31,138,000	30,846,000	26,659,000
Sept.	27,974,000	28,335,000	....
Oct.	32,918,000	34,534,000	....
Nov.	37,417,000	32,067,000	....
Dec.	32,852,000	41,481,000	....

Figures represent new paid for ordinary business by 19 companies having in force at Jan. 1, 1934, 91 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

Sees Age-Old Dangers In United States Inflation

Editor, The Financial Post:

I read the article in last week's Financial Post on "Tendency to Inflation in U.S.A.," and your comments with interest. Referring to the imminence of inflation in this country, you say:

"One must be a person of great faith to take without a grain of salt the protestations (of the brain trust, parenthesis mine) that inflation when it comes, will be so rigidly controlled that it can only have good effects and none of the usual bad effects."

Inflation of currencies is not of recent origin. For centuries many nations have experimented with it in one way or another, but always with ultimate disaster. Though it has assumed various forms, such as increasing the volume or diminishing the value of paper money, clipping coins, expansion of fictitious credits and the like, the same subtle vicious purpose has always pervaded it. However ingeniously ambitious theorists may camouflage their purposes, flout the teachings of experience, or however confident they may be of superior wisdom, the essential basic purpose—the germinal principle—of inflation is to deprive some of what they have and bestow it, or some of it, upon others.

Initial Effects

The primary purpose, and one of the initial effects of inflation of currencies, is to reduce the values of intangible assets, such as money and securities, and to lessen or extinguish the obligations of debtors. It is a dissimulating form of capital levy. Those who have experimented with it have always been certain that they would profit by the experience of others and avoid their mistakes, only to commit new and sometimes greater ones, but invariably the ultimate results have been strikingly similar. Like the toper who remarked after enjoying a spree that the most pleasant part of a drunk ain't getting over it, every nation that has tried inflation of its currency has had a long economic headache during the painful process of recovering from its baleful effects. Such results are inevitable. They arise in the operations of inexorable economic laws as real and immutable in their operations as those that hold the stars in their courses. Some of the effects of the great inflation that has recently occurred in the United States have been to lessen the value of every deposit in savings banks that the thrifty have accumulated to provide for future necessities, to decrease the value of every policy of life insurance that judicious policyholders have secured to satisfy the needs of their survivors, to curtail the values of securities held by religious, charitable, eleemosynary and educational institutions, to increase the cost of living, and to stifle the incentive to business undertakings through fears of what may be impending.

Disaster Usual

An unescapable attribute of inflation is that once the process gets well under way, it does not stop until supreme disaster ensues. Like the avalanche, once it starts it does not stop until it reaches the bottom where chaos reigns. Such were the experiences of France during the French Revolution, when 45,000,000,000 assignats, denominated francs, became worthless, with results that required a generation to efface. Such were the recent experiences of Germany when it cost a million marks to buy a loaf of bread, and her middle classes were ruined.

The members of Mr. Roosevelt's brain trust are not more capable financiers than the statesmen of France who during the early stages of the French Revolution launched the first issue of assignats that were supposed to be but were not secured by a sort of blanket mortgage on the confiscated church lands that comprised about one-third of the empire. No thoughtful student of history can deny that in the First Constitutional Assembly of France were some of the ablest statesmen and financiers of history. It included such men as Mirabeau, Necker, Talleyrand and Du Pont de Nemours. "No irredeemable paper currency ever claimed a more scientific and practical guarantee for its goodness and for its proper action upon the pubic finances" than the first issue of 400,000,000 of French assignats.

Early Caution

French statesmen had not forgotten the tragic effects of unlimited issues of irredeemable paper money under the regime of John Law, the genius of the "Mississippi Bubble." When the first issue of assignats was being discussed in the Constitutional Assembly, one member displayed to his colleagues a piece of Law's money, and said that it was stained with the blood and tears of their fathers. To avoid such results the Assembly cautiously provided that the volume of assignats at any one time outstanding should not exceed 400,000,000 francs. But the genius of inflation is that it grows by what it feeds on, and when the transitory stimulation of the first issue of assignats was followed by prostrating reaction, the cry for more assignats became irresistible, and it was followed by successive issues with appalling consequences, until the assignats, though death at the guillotine was finally decreed for those who refused to accept them, became utterly worthless in the resulting chaos, in which those who suffered most were wage earners and people of small means who then held most of the spurious money. Nearly a century ago one of the greatest of American statesmen said: "He who tampers with the currency robs labor of its bread."

During the reign of James II, one of the darkest periods in the history of England, the practice of clipping coins of the realm assumed alarming proportions, and the most rigorous laws were enacted to suppress it. "One morning seven men were hanged and a women burned for clipping. But all was vain." Referring to those times, Macaulay said: "It may well be doubted whether all the misery that had been inflicted upon the English nation in a quarter of a century by bad kings, bad ministers, bad parliaments, and bad judges, was equal to the misery caused in a single year by bad crowns and bad shillings . . . The simple and the careless were pillaged without mercy by extortioners whose demands grew more rapidly than the money shrank. . . . The ignorant and helpless peasant was cruelly ground between one class who would give money only by tale and another who would take it only by weight."

Civil War Inflation

During the American Civil War the Government of the United States resorted to inflation as a military necessity. "Greenbacks" became worth only one third of their nominal value, and it was not until the resumption of specie payments in 1879, fourteen years after the war terminated, that the country began to recover from one of the worst of its economic depressions, of which the fluctuating value of greenbacks was one of the most potent factors.

I do not profess to be a prophet or financier, but as I appraise what has transpired in the United States since March 4, 1933, in the light of essentially similar operations in this and in other lands at other times; surveying some of the economic factors that are in operation, and some of the alarming social movements that are being agitated; as I contemplate the colossal expenditures that are being made, and more that are to be made, on borrowed money to encumber future generations with debts of appalling magnitude, if they are not repudiated, as the promise to redeem Liberty Bonds with gold has been repudiated; the hopelessly unbalanced national budget; how the pre-election promises of the Democratic party to maintain sound money at all hazards has been forgotten; the impending strikes that challenge the basic principles of democracy; much as I dread to contemplate the outcome, I can see no alternative than that the momentum of inflation in forms more or less insidious will not stop but will be accelerated until the American dollar will have a purchasing power that will be insignificant in comparison with its value when Franklin D. Roosevelt became president of the United States.

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Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	‡5%	1942	Nov. 1	105
American Sales Book Co.	*5%	1939	Oct. 1	103
Dom. Canners	♦5%	1940	Oct. 1	110
Investors Equity Corp. Ser. A	5½%	1949	Oct. 1	104
Northern Electric	5%	1939	Dec. 1	105
Regent Knit.	▲6½%	1942	Sept. 28	...

* $250,000 for retirement.
♦ $85,000 for sinking fund.
‡ Purchase of bonds for sinking fund.
▲ $10,000 for sinking fund.

Public Utility Earnings

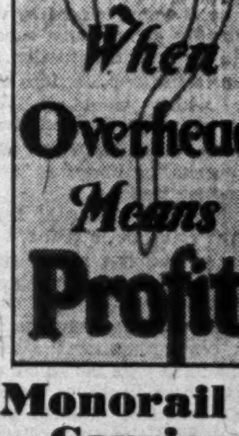
Southern Canada Power

	1934 $	1933 $	Inc. $
August:			
Gross	173,376	170,962	2,414
Oper. exp.	71,936	65,601	6,335
Net	101,440	105,361	*3,921
11 months:			
Gross	1,988,911	1,924,686	64,225
Oper. exp.	730,471	692,017	38,454
Net	1,258,440	1,232,669	25,771

* Decrease.

Metal Prices

New York—Sept. 18—
Copper: Electrolytic spot and future, 9c.
Silver: 49⅝c.
London—Sept. 18—
(Long Ton)—
Copper: Electrolytic spot, £30 5s; future, £30 15s. Standard spot, £27 7s. 6d; future £27 12s. 6d.
Tin: Spot, £228 17s. 6d; future, £227 5s.
Lead: Spot, £10 5s; future, £10 7s. 6d.
Zinc: Spot, £12 5s; future, £12 10s.
Silver: 21⅛d. per ounce.
Gold: 140s. 6d.
Canada—Sept. 18—
Gold: $34.13.



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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Municipal—							
Teck and Lebel, Twps. of R. C. Sch. Board	Sept.	A. E. Ames & Co.	5%	20-ins.	50,000	105.27	4.40%
Provincial—							
Saskatchewan	Sept.	Dominion Securities, Royal Bank, Wood, Gundy & Co., A. E. Ames & Co., Bank of Commerce	4%	1954	$5,000,000	*85.19	5.20%
Nova Scotia	Sept. 18	Bank of Montreal and Syndicate	3%	5-yr.	$3,510,000	99.32	3.15%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date	Rate	Class	Amount	Price	Yield
Bank of Canada	Sept. 17	...	...	100,000 shs.	$50	...

* Offering price.

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

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TORONTO, SEPTEMBER 22, 1934

TAX EXEMPTION FOR HOME-OWNERS

THE political kite put out last week by Attorney-general A. W. Roebuck of Ontario in respect of tax exemption for new houses has much to commend it as a possible solution to the vexed matter of starting the construction ball rolling once again.

Expressing merely his individual viewpoint at a dinner tendered by the Italian Ratepayers' Association in Toronto last week, Mr. Roebuck made the following suggestion:

> "Let us say next spring to every builder that anyone who will start and complete a building within 1935 will be exempt from taxation on that building for the next three to five years —that is my suggestion as a way by which the vitalizing song of the hammer will be heard in the land."

There are many whose interests must be considered in weighing the merits of such a plan.

Take first of all the prospective buyer himself. Few citizens nowadays embark on the purchase or construction of a home without first getting out pencil and paper to see what their two main items of expense—taxes and carrying charges—will total. If the former item could be wiped out in part at least for the first five years, hundreds and probably thousands of borderline or "marginal" home-owners would be induced to assume an obligation which at the present time they hesitate to make.

Then there is the vast army of craftsmen and institutions in the building trades to consider. True, individual builders with newly erected houses on their hands would lose. The same would be true of householders who have just purchased new properties. On the other hand the impetus which would be given to building generally would more than offset, for most builders, the loss they might have to take on a few properties already erected. Values, by the same token, would doubtless respond to the new activity and might readily improve to such an extent as to offset the immediate loss in capital value of houses already built.

Another important link in the chain would be the mortgage and loan companies and other concerns who normally supply the funds to carry on residential construction. It is well known that for many months now, in many centres, there has been a reasonable amount of money available for investment in this field and that all that is needed is some assurance that mortgage contracts can once more be looked on as meaning what they say. If along with the tax exemption plan were to come assurance also of a lifting of the moratoria restrictions and of a determination on the part of the province to respect the mortgage contract, there should be no dearth of money to meet this new source of demand.

In the same category comes the question of rates at which money is available. The current rate for first-class mortgage loans in Ontario, for instance is probably about 6 per cent. This compares with 6½ per cent five years ago and 7 per cent during the depth of the depression. Those close to the picture believe that even lower rates are possible once the status of this particular type of contract is clarified.

Finally there is the municipality which would bear the immediate brunt of such a gesture of goodwill toward recovery. At first sight there would be, of course, a loss of revenue. On second thought there are two sources from which this loss might easily be turned into a gain. Firstly, the general improvement in values which will undoubtedly follow any substantial improvement in the building situation. Secondly, the improvement in tax collections and citizen buying power which would follow any forward movement in this key industry. There are few industries in Canada where the dollar has such wide purchasing power as in the building and construction trades.

Another very important feature of the plan is that it could be introduced without any outpouring of taxpayer money such as is involved in most plans suggested as an aid to the building industry. It could be tried on a modified scale with, say, a total exemption the first year; an 80 per cent exemption the second year; 60 per cent the third year and so on. At the end of five years the new dwellings would then be eligible for full taxation. Rented buildings would of course benefit along with those sold directly to home-owners.

The plan has been tried with considerable success as a means of attracting new industries to various municipalities; it has been tried in other ways in other countries, notably in Great Britain where industrial firms were offered special tax exemption privileges to replace obsolete machinery with new equipment. There is no reason to feel it might not be equally successful in the residential field if tried at a time such as the present when most omens for a revival in building are favorable.

NO HEROICS FOR BRITISH MIGRATION

A BODY blow to those who are planning grandiose schemes for fostering migration on a large scale between the United Kingdom and British Dominions was dealt in the report of the British Inter-Departmental Committee on Migration Policy published in London early this month. The document is a comprehensive review of the problem of distribution of population between Great Britain and the Dominions. It will be submitted subsequently to the governments of Canada, Australia and New Zealand with a view to an effort being made later to reach agreement on a common policy. Chairman of the committee was Malcolm MacDonald, under-secretary for Dominion affairs.

In brief the committee state they were "driven irresistibly to the conclusion that the idea that migration could of itself bring about economic recovery was a fallacy." On the contrary they believe migration is one of the products of recovery; thus the best method of promoting migration is to endeavor to bring about conditions such as the rising level of inter-Empire trade which would of themselves attract migration, and then see that the way was kept clear for the migration so attracted.

Under existing conditions the committee state, the encouragement of any considerable scheme of migration is out of the question and "though the report may disappoint some who devoted much time and rendered valuable service to Empire settlement," it considers it is no time for so-called "heroic remedies." On the contrary it suggests that the basis of some of the more ambitious proposals recently put forward is economically unsound and that it would be "by the individualistic method, congenial to our national bent, that the great bulk of migration from this country will always take place."

Commenting on this very important document, the London Times remarks:

> "If the facts it assembles and the deductions it draws from them are depressing to the advocates of short cuts and of spectacular schemes for redressing the balance of the Empire, even the enthusiast will admit that it sets out, with admirable clearness of reasoning, aspects of the migration problem which cannot be ignored in any serious discussion."

The report has been in course of preparation for over a year and some 50 meetings have been held by the committee in charge. In addition to being submitted to the Dominions concerned it is also now to be submitted to voluntary migration societies and others with special knowledge of the subject whose comments will be invited. The policy of the British Government will therefore not be based purely and simply on this report, although it will doubtless have a very significant effect upon future action.

WOMEN IN BUSINESS

MILD-MANNERED T. A. Russell, president of Massey-Harris Co., got himself an immediate audience of 660,000 listeners last week, plus first column attention on every woman's page throughout the Dominion, when at the Winnipeg meeting of the Canadian Chamber of Commerce he cited as one of the causes of the depression the entrance of women into business.

As Mr. Russell has started a controversy likely to rage round many a home and meeting place this winter, it seems worth while to put on the record just what he did say.

This is the paragraph that caused all the trouble:

> "The third fundamental cause of the depression is, I believe, the entrance of women into almost all forms of human activity for which the workers were previously recruited solely from among men, with the resulting changes in employment and living conditions. I am not opposing the entrance of women into industry and commerce and finance and education, but mentioned it must be as a major factor to which society has not yet had time to adjust itself fully. The spread of education and the desire for independence, for a better home, greater comforts and more of the niceties of life, have placed hundreds of thousands of women in occupations not thought of more than 50 years ago."

If Mr. Russell had turned up a recent report on the 1931 census in Canada he would have found interesting facts to support his point of view. This shows that in 1931 the number of gainfully employed women in Canada reached a record total of 665,919. This is approximately 17 per cent of our gainfully employed population. Thirty years ago there were only 238,000 gainfully employed women representing but 12 per cent of the total number of wage earners.

Doubtless the depressed conditions of the past three years have further increased this ratio, as girls and women in increasing numbers have been forced to find employment to replace the earnings of heads of households either unemployed or on short time. Some of these will doubtless withdraw as times improve, others will if possible continue as wage earners.

The gist of the whole matter (which seems to be overlooked in current press discussions) is contained in Mr. Russell's second sentence where he states clearly that he is not opposing women in business but mentions it merely as a "major factor to which society has not yet had time to adjust itself fully."

There is another point too which will not be overlooked by the lady defendants, namely the substantial increase and diversity of purchasing power which has come about with the increase of women in business. It would take an able statistician many weeks of work to compute the millions of dollars invested in the clothing, cosmetics, tobacco, and other industries as a result of the increased feminine buying power of the past decade.

ORGANIZED LABOR ATTACKS AGITATORS

THE Trades and Labor Congress of Canada is to be commended on its open attack on the Workers' Unity League and other such organizations which claim to represent labor and seek to introduce Communist ideas and ideals to Canadian workers.

Operations of these "Red Hand" organizations, which are nothing more or less than subsidized agencies of Soviet propaganda, must necessarily weaken the position of reputable labor organizations in the estimation of the majority of Canadians. Such a happening would be unfortunate as much of the work done by the Trades and Labor Congress deserves support.

That there are thirty-three national labor organizations in Canada claiming jurisdiction and representing themselves as units of labor was disclosed at the recent annual meeting of the congress. According to official figures of the Department of Labor, Ottawa, the Trades and Labor Congress represented 118,004 of 286,000 Canadian workers affiliated with some type of trades union. The Toronto convention was the 50th annual meeting of this important body.

B. C. MUNICIPALITIES ON THE SPOT

HON. A. WELLS GRAY has placed British Columbia municipalities and their creditors in a difficult position as a result of his plan to adjust the indebtedness of defaulting municipalities or any others that desire to come under his proposed scheme. The municipalities have been given the choice of having their debts adjusted now, with loss of financial autonomy, or of holding their peace instead of asking provincial assistance in difficulties that may come. Creditors have been told bluntly that they must accede to the plan to reduce rates of interest on debentures and postponement of sinking funds.

The proposals are unfair to both municipalities and creditors primarily because of the injustice and discrimination which always occurs when adjustment on a wholesale scale such as this is attempted. A much better plan would be to facilitate negotiations between the defaulting municipalities and their creditors after the capacity to pay had been fully investigated. Moreover, creditors should not be asked to make more than a temporary adjustment. If at the end of the adjustment period it were apparent that the municipality could not pay on the original basis, another adjustment would have to be allowed by creditors. But there is no reason why bondholders should be asked to forego their rights over the whole or a long period of the life of their bonds.

From the standpoint of the municipalities, the only fair way to allow adjustments is for each municipality to discuss its affairs with creditors. And no municipality should be forced to compromise its debts by being told to come into a wholesale scheme or suffer alone. This makes no allowance for a municipality that fights the good fight for solvency, but has to default after a struggle. Mr. Gray should revise his scheme to provide for individual, rather than wholesale, municipal debt settlements, by bringing creditors and municipalities together for negotiations.

WHY NOT CONSULT INDEPENDENT INFORMATION SERVICES?

THE Lethbridge Herald says "The Financial Post brings Mr. Stevens sharply to task for making certain misstatements." It quotes side by side Mr. Stevens's charges in his "suppressed" pamphlet and The Financial Post's statement as to the actual facts.

"Whom is the public to believe, Mr. Stevens or The Financial Post?" asks the Herald.

We would suggest that the Herald, or any others similarly mystified, go to original sources for their information on the matters in dispute. The sources of The Post's information were stated in the article in which we challenged certain of Mr. Stevens's statements.

EDITORIAL NOTES

Great will be the rejoicing at the desks of tabloid papers when some bright headline writer invents the words "quins" to describe the quintuplets.

* * * *

Reports are current in Europe that the Japanese fleet may shortly appear near Port Arthur to demonstrate its naval strength for the benefit of Russia—Twin City papers please copy.

* * * *

Roosevelt's Brain Trusters are having as much difficulty in finding a name to describe themselves as in getting any practical results out of their so-called New Deal. First they called themselves Intellectuals. Then they changed it to Liberals. Lately they are using as a self-chosen description of themselves the phrase "non-political wing of the Administration."

* * * *

Post-Scripts

A FRIEND who believes that everyone should have a knowledge of financial matters has encouraged his youngsters to buy low-priced stocks with their savings. Some three years ago the elder, now aged 14, bought five shares of stock in a company, whose securities are rated among the "blue-chips." Every three months a dividend cheque, amounting to a few cents, is received and proudly deposited in the bank. When this same lad received his first notice of the company's annual meeting, he solemnly told his mother that he would not be going to school that day as he had to attend the meeting of "his company." Came the time when the second boy had a few dollars to invest. It so happens that his father is interested in a company which has had little business since the depression set in but which, in normal times, is a good money-maker. So for $16 the younger lad bought eight shares of this company's non-dividend paying stock. The market value of the eldest boy's stock has remained unchanged, but that belonging to the second boy has gone up to $5 a share, representing a paper profit of 150 per cent. To his young mind "paper profits" do not exist; the only yardstick of a stock's worth is whether or not it is paying a dividend. Only the other day he said: "I'm going to sell that darn, old stock as soon as I can and buy something that pays me a dividend."

* * *

"COURAGE!" said five American business leaders when asked by B. C. Forbes, U. S. financial writer, to name the quality which they rated first when looking around for responsible aides.

The leaders were: W. P. Chrysler, president of Chrysler Corporation; T. M. Girdler, president of Republic Steel; Roy D. Chapin, president of Hudson Motors; John Hays Hammond, mining engineer, and William O'Neil, president of General Tire and Rubber Co.

Forbes put his question to 51 nationally known business executives and corporation heads. When 12 of them named "Character" as the quality most to be desired in responsible subordinates, Forbes remarked:

"I neglected to ban character as being too general, too all-embracing. Consequently, more cited character than any other one quality. Which, would you guess, ranks next? Courage. Incidentally, my observation and experience have impelled me to conclude that the one outstanding characteristic most common among men who have achieved notability is courage."

Among the 12 who listed character first were John D. Rockefeller, Jr.; Gerald Swope, R. E. Olds and Colby M. Chester, Jr.

Loyalty was given first place by Charles M. Schwab, M. H. Aylesworth and two others.

Pierre S. Dupont and Alvan Macauley were two of the three who named reliability as the quality most to be sought.

Adolph S. Ochs, publisher of the New York Times, and three other executives gave honesty as the most desired quality in an aide.

George F. Kettering and Sewell L. Avery, head of Montgomery Ward, ranked intelligence first.

Eugene V. Grace, head of Bethlehem Steel, said "Concentration."

Alfred P. Sloan, Jr., head of General Motors, said "Honest thinking."

F. H. Ecker, head of Metropolitan Life, said "Industriousness."

Sayings of the Week

"Most people derive more mental nourishment from talk than from the printed word."—*Aldous Huxley.*

* * *

"Economics is not an exact science, but neither is it a changing collection of personal opinions."—*Col. Leonard P. Ayres.*

* * *

"To destroy a surplus wantonly is to remove a strong incentive to social progress."—*Alfred P. Sloan, Jr., president, General Motors Corporation.*

* * *

"I am apprehensive as to the outcome of the grim struggle which lies close ahead between conservatism and socialism in Great Britain."—*Lord Rothermere.*

* * *

"Happy Daze Are Here Again! That's the way I feel about it after listening-in to the Secretary of the Treasury over the hot air the other night." —*A letter writer to the Wall Street Journal.*

"A fundamental cause of the depression is the entrance of women into almost all forms of human activity, with the resulting changes in employment and living conditions."—*T. A. Russell, pres. Massey-Harris Co.*

"Men can higgle with one another in the markets of the world and there is no ripple in international goodwill, but when governments do the higgling then the spirit of antagonism between people is thrice inflamed."—*Herbert Hoover.*

"Together We Must Find Way to Get to Work"

W. Sanford Evans Sets Forth Ideals and Objectives of Business to Canadian Leaders

By W. SANFORD EVANS
From presidential address to Canadian Chamber of Commerce at Winnipeg

What we have today is not prosperity; and progress toward it is slow.

This is the plain truth. Many disturbing and deflationary general factors remain. Vast unemployment still exists.

In the matters that require common action there is no agreement yet upon fundamentals. Commerce is bound by heavy cords. These should be cut by international joint action, for they were applied because of conditions in the international sphere, but instead they are being left to be unravelled strand by strand through the difficult and tedious process of bi-partite agreements and primitive barterings.

Strange theories are still being set on thrones. Continuous experimentation is keeping up a fatal uncertainty, and business cannot plan and act with confidence. Nothing but a lowering of the average standard of living can enable humanity to accommodate itself to the cramped conditions of today. There is still much that is wrong with the world. The problem is how to make it right.

Business is Individualistic

By its very nature business is individualistic and except for limited purposes or in craft groups does not readily cohere. The result is that in respect to the larger common interests business may be found without a voice and without an organ of constructive action or of defence against unfair attacks. Business, in which a majority of human beings is engaged, has never attempted to organize a self-governing state within a state and it would not be well that it should.

The view that business could undertake to issue decrees and punish the law breaker is impracticable and improper. Laws and punishment are for the state alone. Nevertheless, there is a wide range for useful action. Our own conduct is within our own control. Then, by conference, agreement might be reached on the fundamentals of business conduct, upon its proper standards and upon general lines of progress. Knowledge of what is considered right and the pressure of mass opinion behind it develops one of the strongest forces in the world.

Present Day Problems

The great special problems at the moment are not the hundreds, or thousands, receiving sweat-shop wages but the tens of millions who can get no wages at all; not the few businesses which by unfair treatment of producers of materials or of their own workers have an undeserved margin, but the tens of thousands of businesses with sound practices which can work out no margin; not the oversale of securities to a public investment-mad, but the fact that basic securities necessary for rehabilitation cannot be sold to anyone; not that plants are being consolidated into semi-monopolies but that so much of the world's useful and costly equipment is idle.

Balanced Production Essential

At the close of the war business found itself with a system of production seriously out of balance. Production must be in balance for full exchange and distribution to take place. Such balance is the goal to which business is always striving and which under normal conditions it approximately attains. It is the test of sound business.

A gigantic task of readjustment thus had to be faced, and at the same time many of the main instruments of business had been rendered more or less unserviceable or had been destroyed. The very basis of exchange lay shattered. For world trade, which is essential to the structure, there was no international money free to move and no common standard of values, while within each individual country, in varying degrees, the monetary base was out of proportion to the economic needs.

State Has Controlled

Admittedly and obviously, then, special action in the national sphere has since the beginning of the war controlled the fundamental conditions of business. Its impulses and objectives were largely nationalistic and not economic. All this may have been right and inescapable, as serving the supremely important interests of national life, and personally, I may say, I regard those interests as supreme.

At the moment, I am concerned only with the fact that the control of business conditions and all the main implements of business has been in the state to a degree unknown before. Under these conditions the business system is not accountable for the main character of the results, for it has not been free to operate on its own principles and laws.

Planned Economy

I have dwelt upon this point because of the consequences of its misconception. A new system, called planned economy, has gained wide acceptance and experiments of many kinds with business are being tried, and more proposed. Now, the major premise for every argument for these new methods is this: "The economic system has failed." The full syllogism runs thus: "The economic system has failed; something different must be tried; here is something different; therefore, it should be tried." But I submit that the major premise is incapable of proof on the facts and simply is not true.

There have been world disturbances before this present one, and of almost every conceivable kind, and all forms of experiment have been tried again and again. Yet the world has always tended to return to an economic system having a large range of individual planning and initiative and relying for the regulation of quantity and price mainly upon the test of an open market. This has been the instinctive judgment of mankind and most theorists have approved its soundness. These facts cannot be disregarded.

Weakness of Human Nature

Is effective planning by any bureau of the infinitely complex and far flung economic activities of the modern world within the capacity of human nature? Each of us knows it takes a lifetime to acquire familiarity with the details of a mere unit in business, and a full day to keep in touch with each day's demands. Is there any proved case in history where beauratic planning of business has been wise and successful and has endured?

The inherent difficulties in international planning we have experienced in the inaction of the last fifteen years. Without international planning how could there be definite national planning? World trade will go on and no nation will be able to live to itself alone. Within a single country no branch of general industry could be successfully planned except in relation to all other branches and then in relation to world trade. Is there any ground for believing human nature capable of this work?

Degree of Control

Regulation and control there must be. The only question is as to the detail into which it should be carried. The interests of the community as a whole are supremely important for every individual. Only within a worthy and aspiring community life can the individual find scope for his highest development, and the emotional power generated in such a community life is the greatest force in history. At the same time it must not be overlooked that the character and development of the individual is the product by which the whole system will be judged.

All along, the popular expression has been that the chief need of the world was confidence. Often the public mind selects the very heart of the truth. Out of the tangle of theories, analyses and arguments, I believe it has so chosen in this case. But for confidence there must be the conditions of confidence.

As citizens, we must each carry his full share of responsibility for all conditions in the national sphere and must lend all support in our power to the governments upon which almost crushing burdens rest. Still more complete co-operation is their due and we must pledge it. To the great common end, we urge, as business men, that the nature and the work of business be recognized for what it really is; that the needs of business for practicable working conditions be realized, and that these, by degrees and as fast as possible, be supplied. Enterprise has lost none of its quality, there are vast reserves of energy and immense resources, and together we can find the way to get to work.

In the Mail

Canada's Stamp Policy

Editor, The Financial Post:

My attention has been drawn to an item appearing in your issue of Sept. 8, under the heading "Footnotes to Ottawa," in which reference is made to the volume of Canadian postage stamp sales to philatelists.

The department fully appreciates the favorable notice given its philatelic activities by your correspondent. However, I must point out that the figures given correspond roughly to those recently released by the Post-Office Department of the United States, and evidently relate to the sales of the Philatelic Agency at Washington. Naturally these are much greater in volume than ours. For the last fiscal year, our actual philatelic sales brought in only a small fraction of the amount given in your correspondent's article.

As incorrect figures in this connection may give rise to an impression among stamp collectors that they are being exploited by the Post-Office Department, I should appreciate your giving publicity to this correction.

This department has consistently refused to follow philatelic policies similar to those adopted by certain foreign administrations which have been accused of exploiting stamp collectors. We realize that moderation is the best policy. The unnecessary multiplication of stamp issues would ultimately be destructive to the hobby it seeks to stimulate.

Our philatelic section is in the charge of an experienced postal official who has sufficient philatelic knowledge to enable him to meet the wishes of stamp collectors so far as these may be consistent with sound postal practice.

P. T. COOLICAN.
Acting Deputy Postmaster General.
Ottawa, September 15.

Other People's Views

The Outlook in United States

New York Annalist

No check to the downward drift of business is observable. The passing of Labor Day and the start of the fall season failed to produce evidence pointing to improvement in the near future. The commencement of the textile strike introduced fresh uncertainty into an already obscure outlook. Even should the strike prove of short duration, it will have interposed a further obstacle in the way of the hoped-for autumn upturn.

The unfortunate aspect of the whole picture is that union politics should be even partly responsible for the calling of a strike for impossible demands, at a time that is unfavorable even from the standpoint of the unions, and under conditions that can only add another element of uncertainty to the general business situation.

Not until the administration is willing to deal more frankly with the public; not until it shows it can meet politically dangerous but vital issues openly and squarely and without hedging, can it hope to regain the confidence now so evidently ebbing.

A Government Need

Hamilton Spectator

Hitler has ordered the Germans to use artificial wool. All the real wool is needed by the government to pull over the people's eyes.

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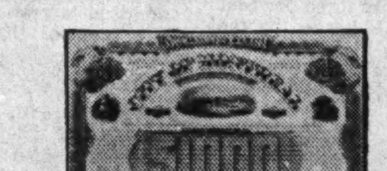

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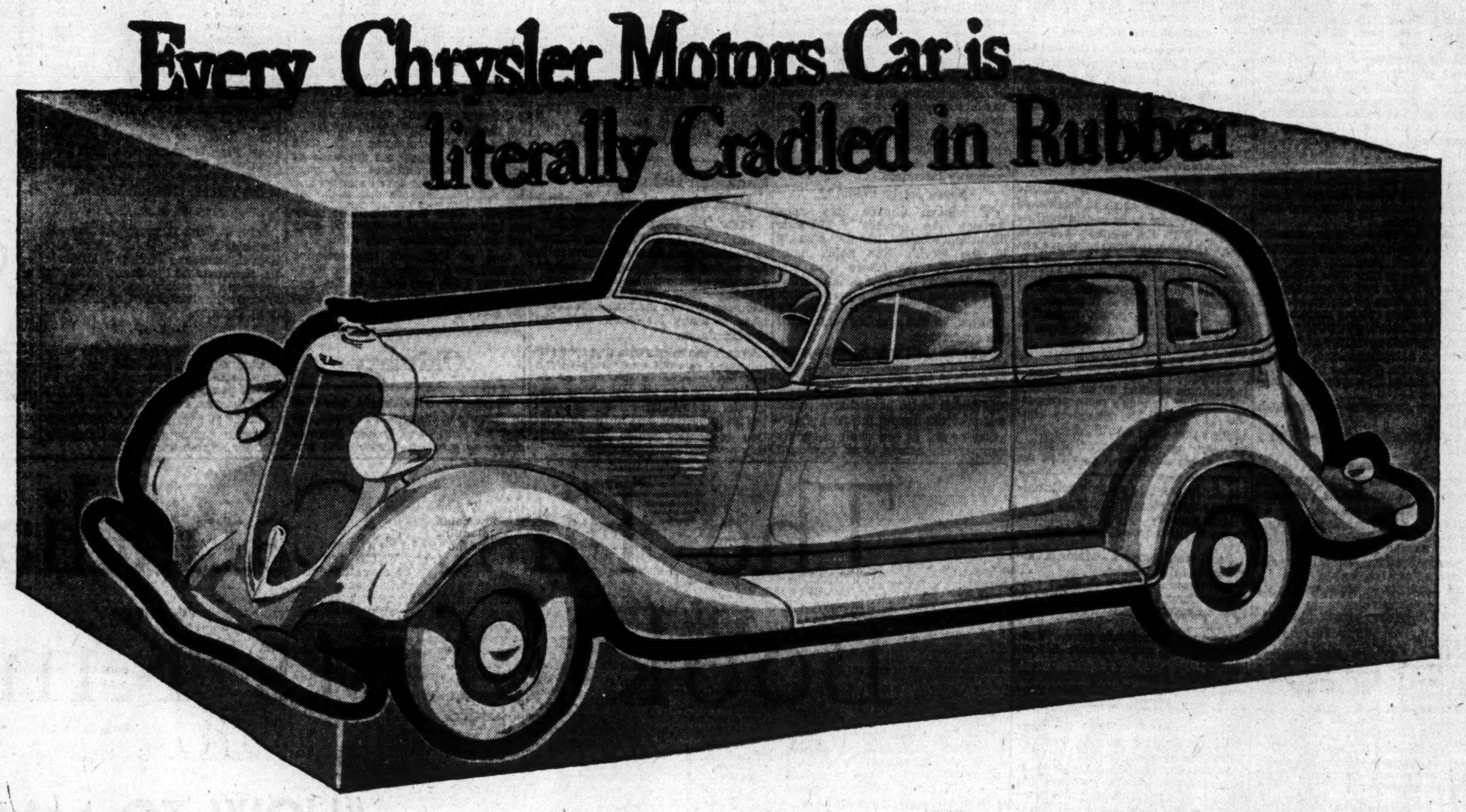

CHRYSLER MOTORS established the first, and now maintains, the largest Rubber Research Laboratory in the automobile industry—to give you more comfort, to make your car last longer and to save you money.

OVER 5 years ago Walter P. Chrysler authorized the establishment of the first rubber research laboratory in the automobile industry—to war against destructive vibration and to cut the costs of Chrysler-built cars.

Vibration, the "bad boy" of all engineering, is a breaker of men and machines. Every motorist knows that vibration makes him tired. Every engineer knows that vibration shortens the life of machinery.

The object of Chrysler Motors rubber research is to discover sources of vibration and to develop smothering devices which will absorb vibration before it can do harm—principally by using rubber.

Rubber has been found the best material for absorbing vibration because it can be given almost any degree of toughness, hardness, "springiness" and life by the right mixture and the right treatment.

To discover the correct formula and treatment of rubber which will best absorb the different kinds of vibration—and to keep the cost down — Chrysler research engineers have at their disposal a complete rubber experimental plant and many ingenious testing machines.

During the past five years these patient engineers have been rewarded with results far beyond their dreams. From this laboratory came Floating Power engine mountings. Here, the Impulse Neutralizer was invented. Among other devices, the rubber cored shackle was perfected. These absorbers of vibration are built into every Chrysler, Dodge, Plymouth and De Soto car.

Today, the use of rubber in Chrysler Motors cars is so extensive that the smallest car built by Chrysler Motors contains 50 pounds of rubber, located in over 250 places in the chassis and body—not counting the tires!

Chrysler-built automobiles are quiet because vibration is kept under control — largely with rubber.

Noise in an automobile is due to uncontrolled vibration. Uncontrolled vibration breaks down motor cars and the people who ride in them.

The war against vibration which has been waged by Chrysler Motors research engineers for the past five years has given your car longer life. Operating costs have been reduced. You are freed from "vibration-fatigue". And you get more motor car for your dollar.

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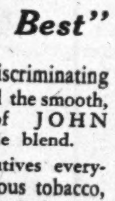

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COAST INDUSTRIES RECORD EXPANSION OVER LAST YEAR

New Construction Projects Expected to Start Shortly

Stimulated by renewed lumbering activity and steady expansion of mining, with their attendant effect on trade through increased purchasing power, on transportation, shipping and many other activities, manufacturing industries in the Vancouver district have shown decided expansion during the past year, it is revealed by a survey made by the Vancouver Board of Trade. The survey compares operations in the first half of 1934 with operations in the first half of 1933.

Most industries report increased payrolls and more employees, only construction being reported as quiet. With regard to this industry, however, it is stated that there are several major building projects for the federal government getting under wty, as well as construction of several bridges, which should result in a marked change in this industry in the immediate future.

Many New Products

Many of the industries surveyed reported new lines of activity has been entered since last year. Sales volume was generally reported as being ahead of last year. Results of the survey follow:

Bakery Products—Number of employees and payroll practically unchanged. Several new articles added to those formerly made.

Boots and Shoes—Business slightly improved, with new lines added.

Boxes and Containers—Improvement in certain lines; sales volume ahead each month; new lines added in folded and rigid division; considerable improvement and plant expansion reported in fibreboard and corrugated lines.

Bricks and Tiles—No increase in payroll or employees; sales improvement in some products only, decrease in others; new lines added.

Canned Fruits and Vegetables — Eastern Canadian goods made with low priced labor cutting more heavily than ever into British Columbia's natural market; new lines added. Increase in employees and payroll. Outlook better. Selling prices still low and out of line with manufacturing costs.

Chemical Industries — Very much improved.

Construction Industries — Very quiet.

More Employed

Dairy Products—More employed, with increased production. Plant expansion; conditions normal.

Furniture—More employed. Business very much better. Plant expansion; new lines added.

Foundry Products—New lines added; satisfactory increase in sales.

Fish Products — More employees and plant expansion.

Food Products — Steady improvement; new lines added; export market greatly improved.

Garment Making—More employees; volume about the same. Some lines materially increased, others down.

Lithographing — Considerable improvement; business up materially. Prevailing prices low, but more forward orders than for some years.

Marine Engines—Diesel decidedly better; gas greatly improved. Plant expansion reported.

Sales Higher

Miscellaneous Group — Covering industries confined to three plants or less—More employees. Generally brighter conditions. Sales increased materially. New lines added. Plant expansion; sales about the same; conditions decidedly improved. Better business and on a sounder basis.

Steady increase in volume and indications that this will continue.

Meat Packing—Volume of business shows slight increase; more employees.

Paint and Varnish—Material increase in sales volume.

Petroleum Industry — More employees; new lines added; plant expansion reported; sales volume well ahead.

Printing—Increase in sales. Business offering more steady, not so spotty.

Pulp and Paper—More employees and greater payroll, with sales running on much the same basis with others.

Paper Products—About the same with specific lines showing increase. Sales improvement.

Roofing Materials and Allied Products—Improvement in volume but erratic, with margins low; more employees; new lines added and marked improvement.

Wood Working — Slight improvement; more employees; competition keen; no natural improvement except in doors, where prices realized are low. More employees, new lines added; plant expansion reported with large increase in sales.

Urge Self-Help Plan As Aid to Maritimes

Tariff Changes Would Help But Would Not Prove Solution of Maritime Problems, Conference Delegates Agree

That tariff reductions would undoubtedly improve the position of the Maritimes, but that the salvation of this area lay rather in greater co-operation between producers in the development of quality products, was the consensus of opinion of delegates who attended the Maritime Conference on Canadian Affairs held recently in Halifax. The present national tariff policies came in for much criticism, however, and were considered by a number of the delegates to be largely responsible for many of the present problems of both the Maritimes and Canada as a whole.

Suggestions were made that federal assistance by means of proper marketing regulations and promotion of research with regard to production methods would do much to increase the sale of Maritime products, especially in foreign markets, which loom more attractive than the domestic.

Problems to Be Solved

How to extend business in foreign markets, increase the production of high quality products, and the development of an efficient marketing organization, were among the fundamental problems which must be solved if the Maritimes are to improve their position, Dr J. A. Saunders said in reviewing the problems of the Maritimes.

The general and socio-economic problems which arise in backward areas have also to be considered, he added. With the aggressive young people moving to other parts of Canada and the United States there is developing a lack of leadership which is very pronounced in rural districts. This makes it practically impossible to maintain municipal institutions on a level with those in other parts of the Dominion.

Bigger Subsidies

With their government and social institutions tending to be modelled on those of Canada's more prosperous provinces, Mr. Saunders contended that help would likely have to come by the payment of larger federal subsidies as a result of the proposed re-alignment of federal-provincial relationships.

"I do not feel there is a ghost of a chance for Nova Scotia coal to find an outlet in the New England states, or for much work being done in the way of an Empire market for Nova Scotia iron and steel," said Dr. S. A. Saunders. The sparseness of the population, the high cost of shipping to the interior, and the severe competition offered by mass-production goods have all been factors restricting the growth of manufacturing in the Maritimes. This was shown by the fact that in 1930 the Maritimes produced 4.1 per cent of the total Canadian production whereas the 1931 census shows them to have possessed 9.72 per cent of the total population.

Co-operatives Progressing

An outline of the many improvements made in the business and social life of Nova Scotian fishing and mining towns as a result of the co-operative movement was made by Dr. M. M. Coady, director of extension, St. Francis Xavier University, who has been actively engaged in this work for the last few years. Distinct improvements have been made in the life of the villages as a result of this work and the achievements mentioned proved to be inspiring facts among so many other economic jeremiads.

Shuns Hasty Planning

"I believe Canada has come through the present world-wide disturbance better than any country in the world. She holds more promise for the future than any other land on the face of the earth," said Charles L. Burton, president of the Robert Simpson Company Limited, in the opening address at the conference.

"But we shall only hasten our return to a more comfortable economic position by cool and fair-minded examination of the developments and trends which have characterized our progress during the past generation or so, as we shall certainly hamper our return to an improved position by thoughtless and ill-considered plans enacted simply because of demagogic demand, or which seeks to copy unproven legislation of other lands," he declared.

N.R.A. Considered Failure

Voicing his opinion that the N.R.A. has been a partial, if not complete failure, youthful-looking but serious-minded E.Francis Brown, associate editor of "Current History," did much to discredit any local desire for a duplication of Rooseveltain methods in Canada. It was the feeling of this American commentator that unless Roosevelt was prepared to go Socialistic to a much greater extent than he has shown himself willing to do at present, that prolonged economic stress would continue, and possibly increase, in the United States.

Another supporter of the view that state planning would not prove feasible for Canada was found in Professor Alexander Brady, of the University of Toronto, who presented an exhaustive paper on this subject. According to this expert, Canada's great export trade, the lack of unity existing in her internal economy, and the presence of a highly decentralized political authority were effective reasons why the Dominion should and could not have an N.R.A.

The conference, initiated by the Y.M.C.A. and modelled after the Couchiching institute, was attended by approximately 100 members. The list of prominent speakers included A. B. Balcom, Acadia University, Alexander Brady and J. F. Parkinson, University of Toronto, E. Francis Brown, associate editor of Current History, Dr. M. M. Coady, St. Francis Xavier University, Dr. S. A. Saunders, Toronto, and Dr. Lothar Richter, formerly of the German Department of Labor.

Canadian Industries Pass on Explosive Saving

From Our Own Correspondent

MONTREAL. — Canadian Industries announce a further reduction in the selling price of high explosives, effective at the middle of this month. It is hoped this will make some contribution toward the economic operation of many low-grade mines in the Dominion.

This is the third reduction made in the price of high explosives in the last ten months in the face of an upward trend in the cost of raw materials. Increasing volume is playing an important part in the production economies which have made this new reduction possible.

3 CITIES COLLECT LESS TAX REVENUE

Regina, Edmonton, Calgary Show Lower Totals for 7 Months

From Our Own Correspondent

REGINA.—Collections of tax arrears in Regina and Edmonton show an increase in the seven months ending August. Regina's paid-up arrears for this year total $235,984 compared with $178,786 for 1933. Edmonton's figures are $452,249 compared with $411,837.

Regina's current tax collections for the seven months were $1,031,415, down $30,282, but during August were better than last year and may show an improvement during September. Current borrowing credit for the city this year is $1,166,628. Notes have been issued against this for $715,000 of which $465,000 has been repaid leaving $250,000 outstanding as well as an overdraft of $143,294.

Included in this year's borrowing is $240,000 of government shares of direct relief for April to July, the government's share of August relief and $160,000 of the city's share not yet levied which will be capitalized in a $270,000 debenture issue.

Edmonton's current tax collections to the end of August total $1,968,525, down $306,938 but owing to the late date at which the mill rate was fixed only one full installment period is included in 1934 compared with two for last year. The first installment period for this year shows an increase of $140,043.

Calgary current tax collections for the seven months total $2,783,523, down $70,395 compared with 1933. Expenditures show an increase of $110,448. Expenditures this year total $2,316,157 for seven months and for the same period last year $2,205.599. July tax collections show an increase and it is expected August and September will also.

Out of Calgary's appropriation of $597,680 for relief for 1934, $414,548 has been expended to the end of July compared with $332,119 for the same period in 1933.

Obituary

Charles Boyd McNaught, who died in Toronto at the age of 57 years, has had a private and public business career of great usefulness. He was partner in the firm of Reed, Shaw & McNaught, formed in 1903, and during the war was a very active member of the war trade board and the Canadian trade commission. He was appointed president of the British Empire Steel Corp. in an endeavor to solve the great problems of that company and was head of its successor corp., Dominion Steel & Coal Corp., at the time of his death. He was also associated with Sterling Coal Co., Conger Lehigh Coal Co., Goodyear Tire & Rubber Co., The Royal Bank of Canada, Montreal Trust Co., Howard Smith Paper Mills, Dominion Bridge Co., Consolidated Investment Corp., Foundation Co. of Canada, Kelvinator of Canada, Canada Steamship Lines, Goodyear Cotton Co., Pacific Coast Fire Insurance Co., Sun Life Assurance Co. of Canada, Canada Power & Paper Corp. and a trustee of the Toronto General Hospital.

• • •

John E. Russell, president, Russell Construction Co., Cons. Sand and Gravel, Standard Paving & Materials, chairman of the board of North American Elevators, and director of several other companies, died recently at Toronto.

• • •

T. W. Self, leading Toronto contractor, who has just died, was Irish born, came to Canada at 21 years of age 60 years ago and erected as his chief monuments, the famous Massey Hall, the Art Gallery and the Manufacturers Building at the Canadian National Exhibition.

Men who are keen on keeping up with the times appreciate the smart originality of "Hats by Brock" » New styles—new colors —but unchanging fine quality » » »

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The Brading Breweries Limited - - Ottawa
ESTABLISHED 1865

Regal Brewing Co., Limited - - - Hamilton
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The Dominion Brewery Co., Limited, Toronto
ESTABLISHED 1875

British American Brewing Co., Ltd., Windsor
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The Kiewel Brewing Co., Limited, Winnipeg
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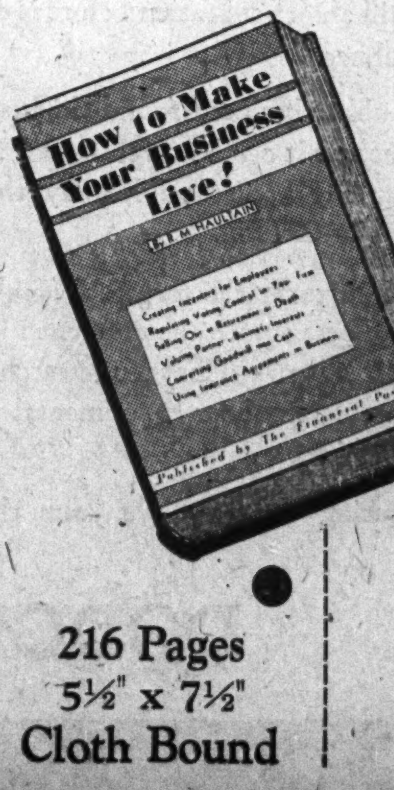

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What reviewers and readers from coast to coast say—

"In the recently published book by R. M. Haultain, 'How to Make Your Business Live,' there is a wealth of information and many detailed plans by which, if you own a business or an interest in a business, you can strengthen your credit, provide your principal assistant or assistants with an added incentive to further the best interests of the business, consolidate control by purchasing your partner's interest when he dies or create a quick cash market for your interest if you die, and also build liquid reserves for emergencies."
—Saturday Night.

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"Plain, terse advice, as valuable as it is practical, is offered by The Financial Post in R. M. Haultain's little book, 'How to Make Your Business Live,' that is how to avoid bankruptcy.

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—Mail and Empire.

●

"Without doubt the information disseminated in this purposeful book is valuable today to the corner grocer and the big business magnate alike."
—The Toronto Globe.

●

"Death may deal a serious blow to almost any business. The death of a sole owner, of a partner, of a major stockholder in a close corporation, may cause the disintegration of the business.

"That is Mr. Haultain's text. The assertions can scarcely be disputed and the subject, as he points out, is not one for a bridge party discussion.

"'How to Make Your Business Live' explains in non-technical terms how the difficulites arising from a death can be obviated by the taking of proper precautions. Almost every imaginable contingency is covered in one or another of the twenty-seven chapters.

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●

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●

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Business Conditions in Canada

The Week in Business

Farm Buying Power Up

HIGHER prices for almost all types of farm produce combined with production slightly better than last year are expected to result in some liquidation of overdue accounts in the rural districts, particularly in those areas which have been favored with good crops. Farm implement companies report a better demand during August than for some years and are hopeful of showing a big increase in collections this autumn. August, usually a slack month for the wholesale trade, has proven otherwise this year, particularly in hardware and grocery lines. Retail merchants are keeping their orders down to actual requirements, however.

Owing to shortage of supplies of many foodstuffs and, in the case of livestock, of feed, higher prices are expected before next spring. For the present, livestock prices are depressed as a heavier volume than usual is being forced on the market. The pack of vegetables and fruit is smaller than for some years past and any carryover from other years will probably be used up before the 1935 pack comes on the market. Some authorities expect higher grain prices followed by a rise in flour and bread costs.

* * *

More Tourists

NOVA SCOTIA reports that the volume of tourist traffic this year has been one of the best in the history of the province, the increase in the number of tourists from Ontario and Quebec being the feature of the season. There were also more United States tourists; for August alone, 4,538 United States cars entered Nova Scotia, a 30 per cent increase over August last year.

* * *

U. K. Plants Expand

INDUSTRIAL revival in the United Kingdom is being marked by a considerable volume of construction of factories, according to a recent report of the U.K. Ministry of Labor. During the first six months of the year, it is reported, plans were approved for building of factories and workshops throughout Great Britain at an estimated cost of £3,000,000. This compares with a figure of £1,800,000 in the same period of last year

* * *

Tourist Campaign Starts

HEADED "Canada, the Open Door to an Unforgettable Autumn Vacation," the first of a series of advertisements over the name of the recently created Canadian Travel Bureau is appearing this month in a large coast-to-coast list of United States dailies. While such autumn sports as big game and bird shooting are stressed, the advertisement also features Canada's mountain, lake and seaside resorts.

Due to the lateness of the season, advertising of a general tourist nature has not been possible this year and the advertisement referred to above will be the only one of large size used this year. It will fill slightly more than one quarter page of a newspaper. Smaller advertisements addressed specifically to sportsmen will appear during the autumn in a selected list of United States publications.

With the opening of the 1935 tourist season an extensive campaign will be undertaken in American dailies as well as a "See Canada First" campaign in Canadian newspapers.

* * *

Mail Record Established

SOUTHAMPTON to Winnipeg in one hour less than six days is the latest record for mail, established last week through the co-operation of the Empress of Britain and Canadian and United States air lines. Landed at Quebec, the mail was flown to Montreal, transshipped from there to Newark, again transshipped to an airline travelling via Chicago and St. Paul to its destination. The saving which can be accomplished if and when the Trans-Canada airline is finished is obvious.

* * *

Farmers For The East

NEW BRUNSWICK is urged to start a drive for more farm population in an agricultural memorandum prepared by F. Maclure Sclanders, commissioner of the Saint John Board of Trade. Mr. Sclanders estimates that New Brunswick spends from $7,000,000 to $10,000,000 annually on agricultural products from other provinces which might be produced in New Brunswick. This money, he argues, represents the purchasing power of the rural community which normally would be available for expenditure with business concerns in the cities and towns. It is stated that the present trend of agriculture in Canada is away from wheat to mixed farming and that in this case a man is better off in the eastern provinces than in the West.

A strong influx of new agricultural blood is a fundamental and exceedingly urgent need, states Mr. Sclanders. He urges that the New Brunswick Government should acquire all vacant farms, classify them and throw them open to settlements along former western homesteading lines. The land would be offered at a nominal price, practically free, to the right type of settler with experience and capital to operate it.

SHORT WORK-WEEK SEEN AS SOLUTION TO UNEMPLOYMENT

Trades and Labor Congress Endorses 30-hour Week

WAGE LAWS SCORED

Congress Fears That Minimum Wages Will Become Maximum — Industrial Codes Not Favored

TOM MOORE

Approval of a shorter work-week as a measure to help reduce unemployment and of an amendment to the congress constitution to allow for issuance of Federal charters to workers' unions in national industries, were two of the most important accomplishments of the Trades and Labor Congress of Canada at its recent annual convention in Toronto. Although no approval or disapproval was expressed by the convention on the question of minimum wages for men, this problem was intensively discussed and the policy of the congress with regard to any such proposal approved.

Policy of labor with regard to minimum wages was contained in a report of the committee of officers. There is a definite trend toward minimum wages, the report stated, and therefore the congress should not consider whether such legislation is advisable but rather what is advisable in such legislation.

Minimum Wage Position

The report on minimum wages urged, in brief, as follows: that there should be sufficient inspectors to ensure enforcement; the legislation should provide for the minimum and maximum number of working hours: uniformity of measure between the Provinces to avoid interprovincial competition; no exemptions should be granted; labor be given the right to organize free of control by the employers; any provision for the incorporation of unions to be opposed; trade unions allowed to negotiate collective agreements and have membership on bodies created to frame, administer or enforce industrial control legislation.

Although the congress voted for a six-hour day and a five-day week, it was explained that this was not a minimum which it was hoped would be attained but that labor would continue to fight for a shorter week "in conformity with the purchasing power of the nation."

Codes Criticized

Some support was apparent for a system of industrial codes, a United States labor representative pointing to the advances made by trade unions since the passing of the N.I.R.A., but opposition was strong against the effect of codes in pulling down the general level of wages while increasing the remuneration of only a small proportion.

The congress made an attack on the Workers' Unity League and other such Communist labor groups. Two delegates from a branch of a trades organization not affiliated with the congress were ejected from the convention.

Attack Section 98

At the instance of the Winnipeg Trades and Labor Council, the convention urged the abolition of Section 98 of the Criminal Code "as it unduly restricts freedom of speech, press and public assembly." The resolution alleged that that section was at present being used "to arrest and convict workers for their participation in strike struggles and for their adherence to organizations of the working class."

The convention recorded its opposition to war and requested a referendum before a declaration of war by Canada. National control of banking was urged. A series of recommendations had to do with the Workmen's Compensation legislation.

Restoration of civil service salaries, federal administration of old age pensions and its extension to provinces so far unaffected, more generous Mothers' Allowances, were also endorsed.

Re-elect Tom Moore

Election of officers resulted in reelection of the ruling board by acclamation, Tom Moore resuming the presidency which he has held since 1918. Others re-elected were: P. M. Draper, secretary-treasurer; James Simpson, vice-president; R. J. Tallon and P. R. Bengough.

William Dunn, Toronto, was elected to represent the congress at the October convention of the American Federation of Labor in San Francisco. Ernest Ingles, London, was selected to represent the congress at the British Trades Union Congress in 1935.

Government, Municipal and Corporation Bonds

List of offerings, or current quotations on any issues, furnished promptly on request.

Royal Securities Corporation
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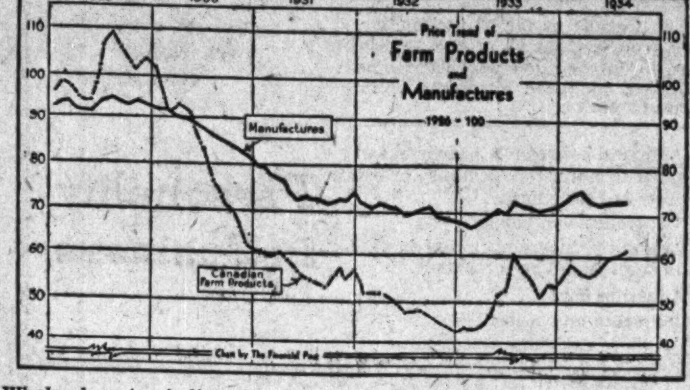
Prices of Farm Products Near Level of Manufactures



Wholesale price indices for August show that prices of Canadian farm products show the smallest spread from those for manufactured goods since October, 1930 with the single exception of July, 1933, when a sharp increase in grain prices temporarily raised the farm products index. That these indices must reach a parity is generally considered necessary before normal business conditions can be expected in Canada.

Farm Product Prices Lead August Gain in Commodities

Wholesale prices recorded a slight gain in August, rising to 72.3 from 72.0 in the previous month, entirely because of higher prices for grains and other farm products with the exception of animals. In the grouping according to chief component material, only vegetable products advanced, the others, with the exception of animal products and nonmetallic minerals—which were unchanged—recording fractional declines.

Compared with August a year ago, only the non-ferrous metals group was lower, chief advances being indicated in farm products, both vegetable and mineral animal. The total index of wholesale commodity prices, based on 567 commodities is approximately 4 per cent higher than in August, 1933.

Farmers' Gain

Further closing of the gap between prices of farm products and manufactured goods took place in August, the spread between the two indices between reduced to one of 12 points. This is the closest these two indices have come since October 1930, with the exception of July last year when a quick and short-lived rise in grain prices temporarily boosted the farm price index. Closer alignment of these two indices is generally considered to be necessary to business stability in Canada.

Comparative indices of farm products prices and those for manufactured goods follow:

	Aug., 1934	July, 1934	Aug., 1933
Can. farm products	61.6	60.0	57.2
Manufactured goods	73.6	73.2	71.7
Spread	12.0	13.2	14.5

Declines General

Indices of the leading groups follow:

Indices of Wholesale Prices (1926 = 100)

	Aug., 1934	July, 1934	Aug., 1933
Vegetable products	69.9	68.5	65.9
Animal products	65.6	65.6	59.7
Fibres, textiles	73.6	73.9	71.2
Wood and products	65.5	65.8	63.2
Iron and products	87.0	87.1	85.4
Non-ferrous metals	63.0	63.2	68.0
Non-metallic minerals	86.1	86.1	83.3
Chemicals	81.7	81.8	81.6
Total index	72.3	72.0	69.5

B. C. LUMBERMEN SEEK TO PROVIDE S. AFRICAN NEEDS

Delegation Leaves on Five Months Survey of Market

From Our Own Correspondent

VANCOUVER.—Not satisfied with trebling their sales in the United Kingdom and winning nearly 90 per cent of the softwood market of Australia, British Columbia lumbermen are taking steps to make their mills the dominant factor in the South African lumber situation.

A delegation composed of J. G. McDonald, A. T. Robinson, R. B. Cherry and P. Z. Caverhill has left for Cape Town and plans to remain in South Africa for five months making an intensive study of the lumber market and promoting sales of British Columbia forest products.

Purchases Doubled

As a result of Empire preference South Africa has already more than doubled her purchases of B. C. lumber during the last couple of years, but representatives of the industry here believe that they can capitalize the preference to a greater extent. Annual softwoods requirements of South Africa amount to 200,000,000 board feet. At present B. C. is selling only about 26,000,000 feet there.

The lumbermen believe that transportation facilities will be improved if the demand is shown to exist for B. C. products. In the past shortage of tonnage has been one of the factors discouraging lumber exports to South Africa. With the tariff preference and prevailing low freight rates and regular sailings, B. C. lumbermen expect to be able to gain a large share of the trade that has in past years been going to the Baltic countries.

B. C. is also making an effort to boost sales of cedar in the British Isles. There has been a slump in cedar sales here as a result of the United States tariffs and a lull in demand for shingles. J. C. Bertoe has been named as a special commissioner to stimulate demand for cedar in the United Kingdom and will co-operate with Loren Brown, B. C.'s permanent lumber commissioner there.

F. P. Business Index Declines in August

For the first time since January, The Financial Post business index declined slightly in August, the preliminary figure for the month being 98.3 as compared with a final index of 98.6 for July. A considerable reduction in employment recorded at the beginning of the month and a drop in grain prices from July were important factors in the decline.

•The Financial Post business chart and summary of conditions in August appears on page 4.

Newfoundland Will Police Labrador Coast Settlements

First move on the part of Newfoundland to administer the internal affairs of Labrador has been made by the announcement that a small police force of five constables under a non-commissioned officer would be stationed there.

It is the intention to invest the sergeant in charge with responsibility for the administration of relief and the police will also be responsible for enforcement of the game regulations and the prevention of smuggling.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Sept. 8)	▲47,679	41,027	1,543,375	1,305,172
C.P.R. gross earn. (Sept. 14)	$ ▲2,942,000	$ 2,454,000	$ 84,550,000	$ 73,798,000
C.N.R. gross earn. (Sept. 14)	$ ▲3,587,994	$ 3,455,341	$ 113,663,896	$ 96,132,324
Business Conditions—				
Weekly index D.B.S. (Sept. 8)	▲102.2	88.8	......	......
Business failures (No.) (Sept. 8)	▲19	10	666	1,118
MONTHLY DATA				
Business Conditions—				
Financial Post index (Aug.)°	▲98.3	88.7	......	......
Transportation—				
C.P.R. net earnings (July)	$ 1,511,481	$ 1,368,380	$ 9,565,894	$ 6,229,521
C.N.R. net revenue (July)	$ 688,445	$ 820,466	$ 5,066,986	$ ‡2,158,515
Iron and Steel (July)—				
Pig iron production (tons)	37,306	857	157,827	36,210
Steel ingot prod.. (tons)	64,013	31,602	397,502	130,464
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	5,341	4,574	49,220	30,096
Factory output (July)	11,114	5,322	78,198	38,181
Trucks and Buses:				
Domestic sales* (July)	1,107	572	7,671	3,503
Factory output (July)	2,707	1,218	17,707	6,621
Exports (July)	5,219	1,978	31,506	10,670
Construction—				
Building permits (July)	$ 3,219,086	$ 2,180,403	$ 13,435,928	$ 12,496,402
Contracts awarded (Aug.)	$ 13,543,900	$ 9,479,500	$ 85,651,100	$ 55,043,800
Newsprint (tons)—				
Production (August)	▲216,164	194,262	1,688,036	1,269,136
Exports (August)	▲183,829	165,880	1,537,127	1,140,419
Sugar (lbs.)—				
Melting & shipments§	100,372,675	95,927,975	422,127,749	432,449,942
Manufactured§	95,041,690	88,089,347	411,448,713	425,380,281
Flour (bbls.)—				
Production (July)	1,072,747	1,322,923	7,673,418	7,565,308
Wheat flour exports (Aug.)	412,089	460,288	3,353,728	3,537,715
Trade (August)—				
Imports	$ ▲43,507,000	$ 38,747,000	$ 335,041,000	$ 242,366,0.0
Exports	$ ▲55,249,000	$ 44,723,000	$ 401,029,000	$ 302,163,000
Wheat exports (bush.)	▲14,709,675	8,652,970	92,410,946	108,395,079
Employment (Aug. 1) D.B.S. Index—				
All industries	95.2	87.1	......	......
Manufacturing	91.4	85.2	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	1,621,314	1,442,660	11,992,789	9,527,608
Aver. daily	52,300,000	46,537,000	......	.....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (August)	▲135,135	128,459	900,790	501,816
Boot & shoe prod., pr. (July)	1,331,966	1,974,867	10,628,963	10,798,759
Crude petrol. imp., gal. (July)	116,883,000	118,271,494	545,173,292	481,537,893
Cotton imports, lbs. (July)	8,281,000	9,790,000	80,904,000	50,556,000
Raw rubber imp., lbs. (July)	5,443,000	2,670,000	36,423,087	18,748,874
Coal imports, tons (July)	1,545,787	1,239,009	6,746,710	5,170,988
Finance—				
Bank debits† (July)	$ 2,767,000	$ 3,527,824	$ 18,209,712	$ 16,723,096
Bond sales (August)	$ ▲51,057,200	$ 91,729,456	$ 308,866,972	$ 298,515,452
Life insurance sales (July)	$ 33,951,000	$ 33,006,000	$ 223,092,000	$ 224,763,000
Automobile Financing—				
Used cars (July)	$ 1,704,579	$ 991,889	$ 8,715,619	$ 6,824,400
New cars (July)	$ 1,913,474	$ 1,145,803	$ 11,540,345	$ 6,828,195

†000's omitted. ‡Deficit. §For 4 weeks to August 11.
°D.B.S. All-Canada figure comprising over 90% of the Canadian total. *Preliminary.

DAIRY INDUSTRY FEED DIFFICULTIES DARKEN OUTLOOK

Survey Indicates Only Fair Year for Producers

Only a fair year is indicated for the Canadian dairy industry by a recent report of the Dominion Bureau of Statistics. Generally pastures appear to have been poor throughout all sections of Canada except British Columbia and a few especially favored parts of middle and Eastern Quebec. The hay crop upon which most Canadian dairymen largely depend for feed is a partial failure in the Maritime Provinces and to some extent in Quebec and Ontario and almost a complete failure in the dry areas of the West.

It is reported that commercial feeds will be required in larger quantities than a year ago to supplement the extremely short hay crop and considerably higher prices than a year ago for such purchases are already indicated. The late rains throughout most of the country have benefitted the pasturage situation but little improvement can be expected in the winter feed situation from now on.

More Cows But Less Milk

The bureau estimates that milk cow herds are four per cent higher than 1933 but forecasts a reduction of 10 per cent in the milk supply as a result of the feed outlook. The output of butter by creameries to July 31 was over 6 per cent above last year, but this was offset by an estimated reduction of 13 per cent in cheese.

Cold storage stocks of butter at the beginning of September stood at 48,345,746 as against 42,019,708 lbs. last year. To last year's estimate, however, it is stated, should be added 2,000,000 lbs. for creameries added to the list, in 1934, but were still operating in 1933. "Since there is now such a small surplus after consumption requirements are met, and with a prospective reduction in the output of creamery butter between September 1 and May 1, the presence of these stocks may well be regarded as a fortunate and necessary provision," states the report.

Hog Prices Help

On the favorable side of the ledger from the producer's standpoint, is the report that hogs, the most important by-product of the dairy industry were 44 per cent higher in price in August, 1934, than in the same month the year previous. An advance of 34 per cent in veal calves was also reported. These two developments, together with the shortage and high price of hay, are taken to indicate a smaller production of dairy products in the next six months.

Canada Ranks Third as Automobile Exporter

Although Australia is a large market for Canadian automobiles, Canada ranks behind the United Kingdom and United States as a supplier in this market.

The following imports during the fiscal year ending June, 1933, give an idea of the source of Australia's imported automobiles: motor car bodies, United States £8,319, United Kingdom £3,007, Canada £155; assembled motor car chassis, United Kingdom £13,968, United States £9,084: unassembled motor car chassis, United Kingdom £642,373, United States £366,006, Canada £259,117; motor car parts, United States £66,670, United Kingdom £366,392, Canada £12,022.

THE TRUTH ABOUT A POPULAR FALLACY

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This is not true. The fact is that the charges of a Trust Company are reasonable and the use of its services represents sound economy; for it eliminates mistakes due to inexperience or unsound judgment, which may prove expensive or even disastrous.

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105 ST. JAMES STREET, MONTREAL

Branches Throughout Canada

Assets Under Administration Exceed
$657,000,000

113

NO ESTATE TOO SMALL
FOR OUR ADMINISTRATION

Commodity Prices

THE break in hog and cattle prices at the beginning of the current week was the most important price movement to be recorded this week. Hog prices reacted to a 2 shilling drop in prices in Great Britain and losses of from 50 to 75 cents were recorded on all markets. Cattle markets have been soft for some time with heavier shipments than could be handled.

Export for wheat continues fairly satisfactory and prices have been maintained at Winnipeg. Demand for other grains has been even better and gains have been recorded.

United States commodity markets reacted somewhat from the declines recorded a week ago although the futures trend was irregular.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.00	$6.00	$5.25
Copper, lb.	.09	.09	.09
Cotton, lb.	.1305	.1335	.0960
Rubber, lb.	.1505	.1575	.0707
Sugar, raw, lb.	.0286	.0286	.0361
Silk, lb.	1.15	1.15	1.97½
Wheat (Man.) bu.	.82¾	.83⅛	.69¾
Coffee, lb.	.09¾	.09¾	.07¼
Hogs	9.50	9.50	7.60
Weekly Indices			
N. Y. Annalist	120.7	120.8	103.7
Fishers'	80.2	79.7	†63.6
N. Y. Journal of Comm.	77.7	79.4	72.6
Crumps (Brit.)	65.4	65.5	†63.4
U. S. Labor	77.5	76.9	76.1
Canada (D.B.S.)	72.0	71.8	...

†Average, 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (August)	78.7	78.4	78.3
W'sale (August)	72.3	72.0	69.5
U. S. Labor (July)	74.8	74.6	68.9
Gt. Brit. (July)	69.8	69.9	69.0

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W, Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

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"And don't forget, you get more tobacco for your money . . . Good for making cigarettes, too."

NEW SEAL-TIGHT POUCH 15¢
HANDY POCKET TIN 10¢
ALSO IN ½-POUND "LOK-TOP" TINS

"IT DOES TASTE GOOD IN A PIPE"!

Picobac

Imperial Tobacco Company of Canada, Limited

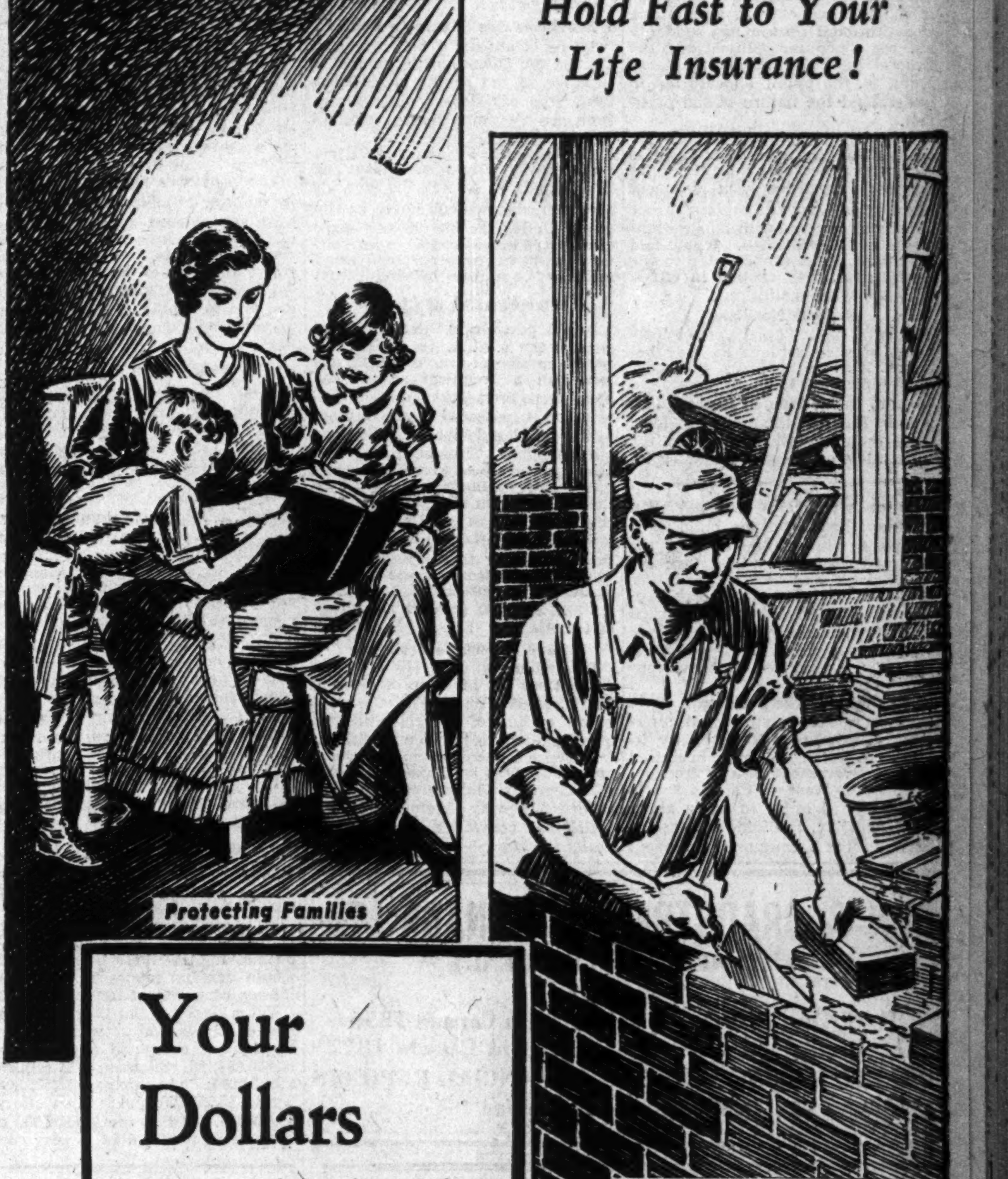
GROWN IN SUNNY SOUTHERN ONTARIO

Commercial Failures in July numbered 122 as compared with 142 in July a year ago. Liabilities were also lower at $1,807,700 as compared with $2,289,454 in July, 1933.

Carloadings in the week ended Sept. 8 numbered 47,679 as compared with 52,888 in the previous week and 41,027 in the corresponding week of 1933.

Failures in the week ended Sept. 8 numbered 19 as compared with 10 in the corresponding week of 1933. Failures to date numbered 666 as compared with 1,118 in the same period of last year.

Hold Fast to Your Life Insurance!



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Life Insurance

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Nine Provinces and the Dominion Have Sovereign Power in Canada

Study of Constitutional Question Shows Clearly Why Present Impasse Over B. N. A. Act Has Arisen

B. N. A. Act in Review Will Aid Post Readers

The constitutional conference announced from Ottawa last week by Sir George Perley in the absence of Prime Minister Bennett is being heralded in many quarters as one of the most significant gatherings since Confederation. It will be one of the few federal-provincial gatherings since 1867, called primarily to discuss the constitutional bedrock on which the Dominion stands—namely, the British North America Act—and to devise ways and means of improving that historic document.

Irrespective of what is achieved at the meeting it is important that thinking Canadians should be familiar with the pros and cons of the situation; should have accurate knowledge from which to interpret the deliberations of those who will meet at Ottawa next month.

In this and subsequent articles by Grant Dexter, the vital and significant facts about the B.N.A. Act and the constitutional problems which have arisen therefrom will be unfolded. In preparation for many months, these articles are being published at a time when they will be of the very greatest value to business and professional men, educationists and political leaders in that they will give a clear, unbiased background from which the Ottawa proceedings can be followed.

By GRANT DEXTER

Forced to the forefront of the political stage by the stress and strain of the past four years, the British North America Act will come before a conference of the political leaders of the Dominion and the provinces at Ottawa a few weeks hence for reconsideration and revision.

Sixty-seven years ago this Dominion was born and as a precursor of its birth the responsible public men of the old provinces — the Fathers of Confederation — held two conferences at which an agreement was drawn up. This agreement was enacted by the British Parliament under the caption "The British North America Act" and its proclamation on July 1, 1867, created the Dominion.

Perennial Dispute

Out of this statute sprang the so-called "constitutional question" which has never, for a moment, been banished from the Canadian political scene in the generations which have passed since its enactment at Westminster. It has bulked large or small in every Federal election and most provincial elections from 1867 onward.

For upward of 60 years much has been said and written about the constitution but public opinion has been apathetic. To the business man and the average citizen the constitution was something a politician talked about when he desired to avoid the issue. And, in any event, the country seemed to be doing fairly well under the agreement of 1867. Why worry about it?

Depression Reveals Weakness

But the depression has revealed serious weaknesses in the British North America Act. Such inquiries as that into the Price Spreads have shown a need of reform in industry; of a wiser economy in agriculture. Constitutional reform has suddenly become a popular political cry; the general public is demanding it. In doing so, the public appears not to understand the nature of the problem.

Nothing, perhaps, was more revealing than the attitude of business men who appeared before the Price Spreads Committee with clear cut ideas as to how weaknesses in our industrial system could be strengthened; evils eradicated. When told that their plans ran counter to the constitution, they replied in effect: "Change the constitution."

Reform Not Easy

Reform, unfortunately, is not nearly as easy to achieve as they believed. On the contrary, there are great difficulties to be overcome, and dangers to be avoided if a solution is to be found to the problem which, more than any other, be-devils the economic welfare of the country today.

To lay the foundations of a great building is comparatively easy. But to relay them after the building is complete without endangering the super-structure—this is a task requiring skill and courage. And this, precisely, is the task to which Premier R. B. Bennett has committed his government and in the doing of which he has sought the co-operation of the premiers of the various provinces.

What is The Problem?

What is the constitutional question? The answer is simplicity itself. Sovereign power is exercised in the government of any free nation. In the case of Canada it was necessary, in order to bring about Confederation, to divide this power between the Dominion Parliament and the provincial legislatures. The British North America Act made the division and declared that each was to be supreme in its particular field; neither could invade the jurisdiction of the other.

Scarcely had the ink dried on the original B. N. A. Act than there arose a need of amending it. The delimitation of powers was not always precise and where it was precise, subsequent experience frequently proved it unwise. Constitutional difficulties sprang naturally out of the division of powers. And these difficulties have now become so acute that a new division is deemed imperative.

Provinces Are Sovereign Bodies

There is abroad a belief that in Canada the Dominion Parliament is superior to the provincial legislatures. This, of course, is quite wrong. Both are sovereign bodies each supreme in its own sphere.

The respective jurisdictions are set out specifically in sections 91 and 92 of the B. N. A. Act, the wording of which is shown elsewhere on this page. Under section 93 the legislatures are given exclusive jurisdiction (within certain specified limits fixed by the statute) over education.

Interpretation of Clauses

It is impossible in these articles to analyze the B. N. A. Act exhaustively or to attempt to use constitutional terms in a technical sense. But apart from the sections quoted, jurisdiction is conferred on one or other of the two legislative authorities by other sections. Thus both are given power with respect to agriculture.

And the opening paragraph of section 91 has been interpreted by the courts as warranting Dominion intervention in all cases where a national calamity has occurred or is threatening. Also great use has been made of section 92, clause (c) of subsection 10: "the general advantage of Canada."

Four Aspects to Problem

Reflection on the division of powers set out in these sections of the B. N. A. Act will disclose the broad outline of the constitutional question. It falls into four divisions:

1. There is the problem of governmental services and taxation.

2. There is the insuperable difficulties in the way of reform, of social legislation, control of industry on a national basis — hours of labor, wages, working conditions, price regulation, etc.

3. There is the very real burden which business men have had to bear on account of constitutional uncertainty, endless litigation, unceasing legal war between the Dominion and the provinces.

4. There is the problem of removing the duplications which now exist in government services such as health, agriculture, labor and mines.

Provincial Rights Surrendered

The agreement of 1867 was a deal between the original provinces. These provinces joined together to create the Dominion and to do so they surrendered many powers they had previously exercised as individual colonies. The division of jurisdiction was agreed to but only when the provinces were assured of what they then regarded as adequate financial assistance from Ottawa.

The provinces had certain duties to perform. In joining Confederation they surrendered valuable sources of revenue such as customs and excise and agreed to restrict themselves in future to "direct" forms of taxation. To compensate for this loss and to enable them to function properly, the Dominion undertook to give them annual subsidies.

Subsidies in Dispute

Ever since the 70's the provinces, separately or jointly, have contended that the subsidies were too small. In seeking more generous terms, they have brought all manner of pressure to bear on the Dominion and from time to time, they had succeeded in improving their position. But at no time, from 1867 onward, have these subsidies ever been worked out on any common principle. The Dominion has dealt individually with the provinces and as a rule has yielded as little as possible.

One of the most important phases of the question to be dealt with at Ottawa next month has to do with provincial subsidies. A glance at the responsibilities of the legislature proves that the Fathers of Confederation had no clear perception of what would happen in the distant future. Probably they did not care, believing future generations able to look after themselves.

New Items in Limelight

But in 1867, the financial burden of education, of property and civil rights and of local works and undertakings probably did not seem likely to be heavy. There appeared to be nothing in these items which would demand money in excess of the taxing power of the legislatures.

Yet a glance at the 1934 budget of one of the larger provinces shows that out of estimated expenditures of $50,864,100, education will require $10,581,000; highways, $3,576,900; health, $5,951,200; and public welfare, $3,668,800. And of the $14,806,900 of interest on public debt, a very considerable part is required for capital investment in highways.

Resources Not Adequate

The fact is that the provinces are required by the constitution to shoulder responsibilities beyond their financial resources. And one of the first problems to be dealt with at the forthcoming conference will be that of making a new deal either with respect to these responsibilities or to taxing powers.

The provinces will demand greater subsidies or wider powers of taxation. The Dominion may grant these demands or, on the other hand, may offer to assume some of the duties now resting upon the legislatures. For example, some of the provinces believe that the Dominion income tax is an indefensible invasion of the provincial field of direct taxation. Let the Dominion abandon the income tax and these provinces will promise to carry on without further assistance.

Jurisdiction Problem

As to the surrender by the provinces of part of their present jurisdiction, the position is far from being clear. This phase of the problem will be discussed later, but it is obvious that there is an absence of agreement as between the provincial governments. Quebec is strenuously opposed to any diminution of provincial authority. The position of the Hepburn government is apparently more amenable to a new constitutional deal if it will achieve uniformity of social reform and a more business-like administration but just how far it would be prepared to co-operate with the present Conservative administration at Ottawa is problematical. The Western provinces will gladly agree to surrender the field of social legislation to Ottawa. The views of the Maritimes are not known. In any event, agreement will be achieved, if at all, with great difficulty.

Alternative is Chaos

Failing agreement, the present drift into a position of chaos as between Otttawa and the provinces is inescapable. Since 1931, the provinces have been unable to finance themselves. Even the central provinces of Ontario and Quebec have received and continue to receive cash assistance from Ottawa to enable them to cope with unemployment.

The Western provinces owe Ottawa upward of $60,000,000, all of it borrowed since the onset of the depression and the drouth. The Maritime Provinces have only recently launched a new drive for better terms and their case is to go before a Royal Commission. British Columbia also seeks a commission to deal with its claims for a new deal.

Sound Solution Necessary

No doubt it would be possible to tide Confederation over this period of instability and strain by an enlargement of the makeshift policies of the past—larger subsidies here and there; further loans accompanied by a writing down of provincial debt to the Dominion. But such policies will fail to touch the heart centre of the problem.

The 1934 constitutional conference has the opportunity to begin unravelling the tangle which has reduced governmental finance to a condition of chaos; the opportunity of launching Confederation anew.

The delegates to the Conference, in a real sense, will have before them a problem just as difficult as the one which confronted the Fathers in 1864 and 1866. The original agreement has served its purpose. Under its terms the Dominion has grown from insignificant proportions to nationhood in the fullest sense of the term. The times call for a new deal. The constitutional clothes of 1867 have been outgrown.

Section 91 of B. N. A. Act Is Ottawa's Bill of Rights

The federal bill of legislative rights in Canada as far as jurisdiction is concerned is derived almost entirely from section 91 of the British North America Act. This is the article of Confederation which contains the famous clause concerning "Peace, order and good government" in Canada. The exact wording of the section follows:

"It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this Act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated; that is to say:

"The public debt and property.

"The regulation of trade and commerce.

"The raising of money by any mode or system of taxation.

"The borrowing of money on the public credit.

"Postal service.

"The census and statistics.

"Militia, military and naval service, and defense.

"The fixing of and providing for the salaries and allowances of civil and other officers of the government of Canada.

"Beacons, buoys, lighthouses, and Sable Island.

"Navigation and shipping.

"Quarantine and the establishment and maintenance of marine hospitals.

"Sea coast and inland fisheries.

"Ferries between a province and any British or foreign country or between two provinces.

"Currency and coinage.

"Banking, incorporation of banks, and the issue of paper money.

"Savings banks.

"Weights and measures.

"Bills of exchange and promissory notes.

"Interest.

"Legal tender.

"Bankruptcy and insolvency.

"Patents of invention and discovery.

"Copyrights.

"Indians, and lands reserved for the Indians.

"Naturalization and aliens.

"Marriage and divorce.

"The criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters.

"The establishment, maintenance, and management of penitentiaries.

"Such classes of subjects as are expressly excepted in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

"And any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces."

Section 92 Gives Provinces Powers of Jurisdiction

Canada's nine provinces obtain their legislative life-blood largely from section 92 of the British North America Act. Within its bounds are enumerated the various privileges and responsibilities about which a vast network of legislative and administrative machinery has been erected. The detailed wording of section 92 is as follows:

"In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say:

"The amendment from time to time, notwithstanding anything in this Act, of the constitution of the province, except as regards the office of lieutenant-governor,

"Direct taxation within the province in order to the raising of a revenue for provincial purposes.

"The borrowing of money on the sole credit of the province.

"The establishment and tenure of provincial offices and the appointment and payment of provincial officers.

"The management and sale of the public lands belonging to the province and of the timber and wood thereon.

"The establishment, maintenance, and management of public and reformatory prisons in and for the province.

"The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.

"Municipal institutions in the province.

"Shop, saloon, tavern, auctioneer, and other licenses in order to the raising of a revenue for provincial, local, or municipal purposes.

"Local works and undertakings other than such as are of the following classes:

"(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province:

"(b) Lines of steamships between the province and any British or foreign country;

"(c) Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

"The incorporation of companies with provincial objects.

"The solemnization of marriage in the province.

"Property and civil rights in the province.

"The administration of justice in the province, including the constitution, maintenance and organization of provincial courts, both of civil and of criminal jurisdiction, and including procedure in civil matters in those courts.

"The imposition of punishment by fine, penalty, or imprisonment for enforcing any law of the province made in relation to any matter coming within any of the classes of subjects enumerated in this section.

"Generally all matters of a merely local or private nature in the province."

DOM. WOOLLENS SHOWS BIG GAIN SALES UP 20 P.C.

Improvement of $200,000 Over 1933 — All Interest Covered

An earnings improvement of some $209,000 over 1933 was reported by Dominion Woollens and Worsted Limited for the year ended June 30, 1934. A net loss of $1,293,312 in 1933 was reduced to $1,327 for the year just reported after providing for bond interest, and interest on the deferred bond interest and about 50 per cent of the depreciation provided in 1933

Business Gains

Shipments for the year showed an increase of 20 per cent in value over 1933, stated A. O, Dawson, president, in his report to the shareholders. With the sharp decline of wool prices early last spring, however, he reported less buying but added "your directors are satisfied that this condition will be rectified as soon as buyers realize that the decline in wool values which has been reflected in the price of your finished product has run its course."

Big Improvement

Last year an operating loss of $117,944 was reported but this included approximately $127,000 provided for deferred bond interest. Before this provision, there was apparently an operating profit of approximately $9,000 which compares with $241,786 for 1934. Depreciation of $92,000 was written off this year, as compared with almost twice as much a year ago or $175,368. However, in 1932 and 1931 nothing at all was written off, while in 1930 the amount was $99,965. After depreciation and providing for bond interest, of $127,020, interest on deferred bond interest of $10,161, and $13,932 as a reserve against bad debts, there was a net loss of $1,327 for the year ended June 30, 1934. This reduced the surplus carried forward to $626,193.

Income Account
Years Ended June 30

	1934	1933
	$	$
Net earnings	241,786	•117,944
Less: Depreciation	92,000	175,368
Int. on def. bond int.	10,161	......
Bond interest	127,020	......
Bad debts	13,932	......
Net loss	1,327	293,312
Add: Prev. surplus	627,520	*924,294
Capital adjustment	......	1,845,126
Balance forward	626,193	627,520

*Deficit or loss.

•Loss after providing for bond interest (payment of which was deferred) and all expenses and bad debts.

As a result of a sharp increase in current assets from $1,171,093 to $1,596,004 and a smaller proportionate increase in current liabilities working capital substantially improved by June 30, 1934, when it stood at $779,011 as compared with $623,892 in 1933.

An increase in inventory is mainly responsible for the jump in current assets. For the year under review the value of finished goods in process, raw materials and other items in the inventory was fixed at $1,294,795. This was considerably higher than the $921,432 reported a year ago and in 1932, but is $100,000 less than in 1931 and about 65 per cent of the average carried in the three years preceding that. Cash on hand at the end of the two years showed little change with $13,368 reported in 1934. Accounts receivable at $287,841 were up from the $236,170 reported a year ago.

Working Capital

	1934	1933
	$	$
Current assets	1,596,004	1,171,093
Current liabilities	816,993	547,201
Working capital	779,011	623,892
Ratio	1.95—1	2.14—1

A considerable increase in the bank loan was reported, the total of $360,000 at the end of 1933 being increased to $632,000. Accounts payable were $134,475 compared with $190,519 in 1933.

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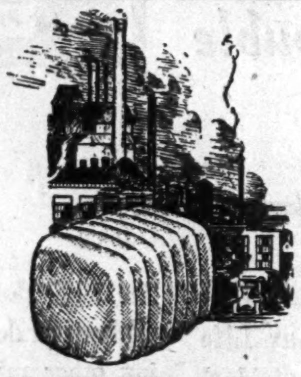

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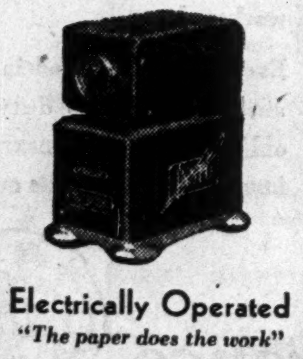

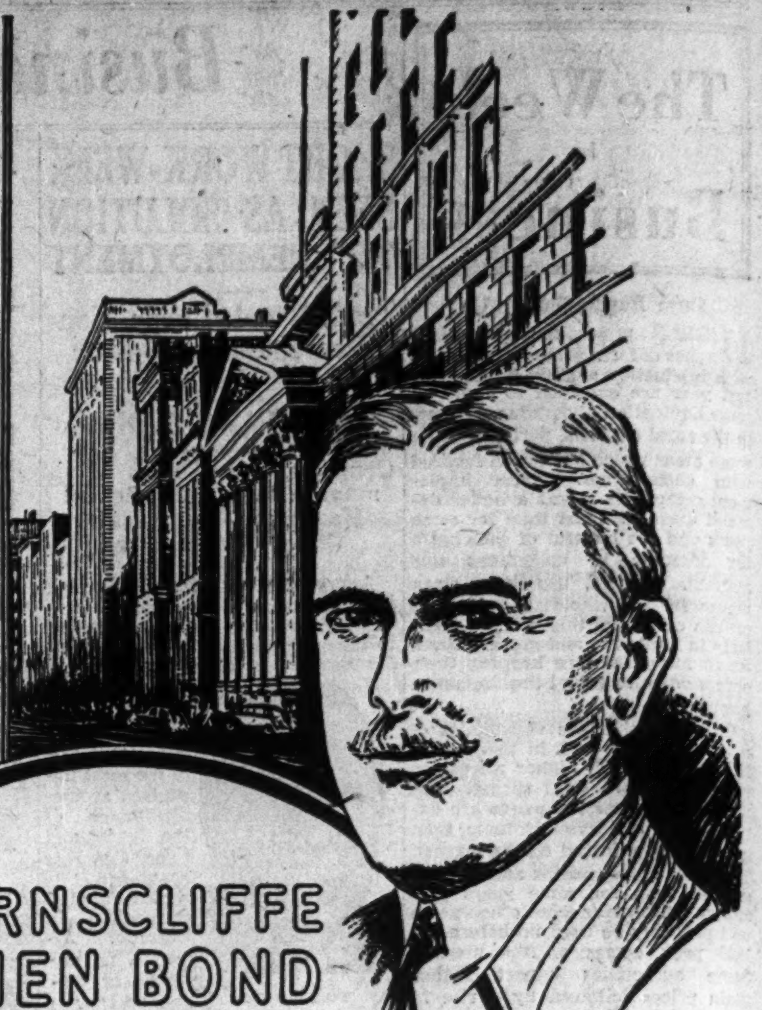

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Keeping Canada's Cities Solvent is Big Task Today

Dominion's Premier Authority on Municipal Finance Discusses Many Problems Raised by Decline In Prices and Fall in Business

How can we keep our cities and towns solvent? Already ten per cent of Canadian municipal obligations are in default; in Ontario the percentage is almost twice as high.

From coast to coast, large and small municipalities by the dozen have drifted into default or difficulty. Their problems are acute and baffling. But the problem of municipal finance is not the problem only of the towns and cities that have already become bankrupt. Every community finds that the depression has created new financial puzzles.

Problem of Over-assessment

Commodity prices have declined sharply, creating, or at least precipitating, the worst depression in history. Prices may come back; they may not. In the meantime, municipal assessments stay up, supported on a feeble foundation of extravagant hopes. And therein lies a threat to the solvency of our cities. Thomas Bradshaw agrees that it is our first big and difficult municipal problem. He says:

"One of the basic problems in municipal finance today is over-assessment. When a municipality assesses properties at too high a figure it is fooling itself in the same way that a corporation does when it overvalues its assets on its balance sheet. Eventually the company has to write them down. Eventually assessments have to come down.

"The taxable assessment is the starting point, in municipal finance. On an equitable and reasonable assessment all sound finance rests; on a wrong basis of assessment there can be no security for the city."

Two Types of Over-assessment

Mr. Bradshaw notes that the assessment problem may reveal itself in a general over-valuation of the community at large. Or it may reveal itself in a lack of equality of assessment within the community. Of the first of these he says:

"The price of real estate is influenced by the general level of commodity prices. In a period of buoyant prices, realty values are likely to be high. When prices fall, real estate falls. The value of buildings comes down for the obvious reason that, as wages and materials decline, replacement cost drops. But land too, follows the price index—more sluggishly, of course, and with a levelling out of the peaks and valleys."

Mr. Bradshaw applies the moral of this to our cities and towns: "The land values that were reasonable to accept as a guide in assessing properties in 1926 or 1928 are not a reasonable basis today. Properties are not worth what they were worth then. But while values have come down, assessments have been reduced but slightly; in some municipalities not at all.

Some Contributory Causes

"In every municipality that has defaulted on its bonds and where an examination of the financial position has been undertaken there has been found over-assessment. Surely that is significant.

"Do not attach to civic officials all the blame. Investment bankers and property owners must share the responsibility for inflated assessments. I know of one case where a municipality had a bond issue to sell. It negotiated with a bond house. The bond house found that the debt was already high compared to the assessment. Instead of urging that the city go slowly in borrowing, it suggested a reassessment. This was done; the assessment was raised; the bonds were sold. Today they are in default.

"Property owners themselves are often to blame for inflated assessments. Especially in new areas, in subdivisions, the owners of land and buildings often relish large assessments. They think it helps to establish a higher level of values, aids them to get larger mortgage loans and higher rents. Ultimately the true value of the property cannot be obscured.

Squeezing Out Inflation

"Now, here is your real problem. Once you get the assessment up it is hard to get it down. A city or town gets into the routine of a certain scale of expenditures. If the assessment is reduced, then either the expenditures will have to be cut or the mill rate will be raised. The first is difficult and the second is unpopular. The line of least resistance is to leave the assessment at the inflated level. That way lies disaster."

There is no doubt in Mr. Bradshaw's mind as to the remedy. "Assessments will have to come down. The only thing that would validate the present level of assessments, particularly in some of our more ambitious municipalities, would be a general upswing in commodity prices. Maybe that will come, either on the heels of world inflation or otherwise. But the experience of previous similar periods in the world's economic history suggests that it is a dangerous gamble."

Back on Tax Roll

This problem of over-assessment is practically universal. But there is also the problem of unequal assessments within a single municipality, which shows itself chiefly in the inflated assessment of subdivision property. Commenting on this, Mr. Bradshaw cites an example that recently came to his attention.

"On the assessment roll stood a number of lots at $600 apiece. The tax arrears averaged $130 a lot. The property was not urban property at all; at best, reasonably good farm land. Each lot helped to inflate the total assessment; to give the municipality an illusory air of wealth and financial strength. But the land produced no revenue. Each year the taxes were levied, and the money was spent, but the arrears piled up and involved further borrowing from the bank and steadily increasing interest charges.

"The first job was to get the lots back on the assessment roll as revenue producers. They were taken over for the tax arrears, sold as farm land at $8.50 a lot, and reassessed around that figure. Today they produce an income for the municipality."

Catering to Noses

In another case it was found that the majority of the population of a township lived in one small sector on a main highway. They constituted a small urban community. But the larger part of the land was in the back farming district. On the democratic system of counting noses, the electors in the small urban area controlled the council. The assessments in the urban area were much too low; the farms were over-assessed. When the township got into financial troubles there was a reassessment of all the land. In the urban area, assessments had to be raised, on the farms they were lowered. The total assessment was brought down to a reasonable figure. It was anything but a popular move, except with the farmers, who constituted a minority of the voters. Mr. Bradshaw's comment is that the board of supervisors did something that the council itself should have had the courage to tackle.

False Sense of Values

"When times are booming and land is selling rapidly, high assessments in new areas do give some temporary and false stimulus to activity." Mr. Bradshaw admits. "But when times are normal or business is depressed, high assessments prove a barrier to new building activity. It becomes a difficult matter to rent properties at a price that will carry the taxes and other expenses."

At this point, one might quote from Mr. Bradshaw's report to the City of Winnipeg:

"A tax on real estate becomes inequitable when payment of the same year after year fails to leave a net revenue sufficient to provide for a reasonable return on capital values. To the extent to which it so fails, it amounts to a capital levy."

Old Standard Out-dated

Mr. Bradshaw considers that the first step in keeping a municipality solvent is to keep the assessment right and to bring it down when values fall. He believes that the old standard of a per capita assessment of $1,000, more or less is too high under present values.

In Mr. Bradshaw's opinion, the No. 2 problem in municipal finance today is that of tax collection. "One of the first things to look at when judging the solvency of a municipality is the percentage of tax collections. If the taxes levied are being collected easily there is not much wrong either with the assessment or the scale of expenditures. It shows that the municipality is not levying taxes in excess of the ability of the citizens to pay.

"But when the taxpayers go on strike, when only 40, 50 or 60 per cent of the annual tax levy is being collected, it indicates that there is something vitally wrong."

Ability to Pay

In every supervisory report, issued by Mr. Bradshaw's committees, this paragraph appears:

"Perhaps no one factor in the affairs of a municipality indicates so clearly the trend of its operations—its strength and its weakness—as the way in which the ratepayers respond to the levy made upon them for taxes. It reveals their ability to meet the taxes levied; the efficiency of the administration; as well as the judgment of taxpayers as to whether the expenditures, as crystallized in assessment and tax rate, are regarded as reasonable or otherwise.

"A municipality can collect only that amount of taxes that the citizens can afford to pay," says Mr. Bradshaw in summing up.

Local Improvement Problem

One of the very real problems of municipal finance, particularly in new areas, is the levying of taxation for local improvements and the collection of these taxes, says Mr. Bradshaw.

"The theory of the local improvement is that by carrying certain specific municipal services to an area, the municipality increases the value of the property affected, and that therefore the property itself should be made to pay a certain percentage of the cost of the improvement.

"Most local improvements do add to the value of the property served. But there are exceptions. Scores of examples can be cited where the sale value of property has been adversely affected by the burden of local improvement taxes.

"This applies particularly in new areas where property values rise rapidly in anticipation of the expansion of the municipality in that direction. If roads, sewers, watermains, etc., are extended to the property and the rapid building up of the area does not immediately follow, the new improvements are likely to make the taxes on each lot so high that the land will become virtually unsaleable.

City Often Must Pay

"To avoid situations of this character, local improvements have to be studied much more carefully. Their true effect on property values and therefore on the collectibility of the taxes should be analyzed.

"It is no longer safe to assume that the net deadweight of city's debt is the general debt less the property owners' share of local improvement costs. The property owners' share becomes the city's share if the property owners cannot afford to meet it.

"Local improvements should be in close conformity to the requirements of the property served and should not be pushed too far ahead of building development. Recently, in an Ontario city, the council had before it a number of applications for improvements to subdivision property. The council passed the applications on condition that 100 per cent of the cost be levied against the properties in question. This is not a bad principle to adopt in the case of subdivision improvements. But even in such cases the real value of the improvement should be demonstrated beyond doubt, since the burden will ultimately be borne by the city, if the properties themselves cannot carry it."

Rise In Expenditures

But excessive assessment and unpaid taxes do not cover the whole field of municipal financial difficulties. To some extent these are more important as symptoms than as basic causes of trouble. The real trouble is in spending. Over almost all Canada municipal expenditures are rising. But in some communities the cost of government has been kept well in check.

"I have an intense admiration for the men in charge of municipal affairs in many of the older and smaller cities and towns," says Mr. Bradshaw. "In these communities, that are not seriously affected by periodic real estate or industrial booms and depressions, we usually find municipal affairs well administered. The scale of expenditures, more often than not, is reasonable. These municipalities are not defaulting. Often the councillors are re-elected from year to year and gain considerable experience in municipal problems. They are usually men with an important stake in their community and they realize that when they spend lavishly they are harming themselves more than anyone else.

"In most of these centres, the council embraces representatives of all the elements in the community; the workers, the merchants, the industrialists and even the 'intellectuals.' There is usually trouble when the council is dominated by the business men, or the working classes, or by any other single group."

Education and Socialism

Mr. Bradshaw, in discussing the general rise in the cost of municipal government emphasizes two influences that have been at work. One is the extension of educational facilities and the other is the extension of social services. Both are difficult problems, he realizes, because both are tied up with the insistence of the present generation upon a freer and fuller life, a higher standard of living for all and some redistribution of wealth and opportunity.

Discussing the first of these problems, education, Mr. Bradshaw lays it down as axiomatic that our advance in educational facilities should not run ahead of the ability of the people to pay for them.

"The high cost of education is something that many people think about and few people talk about because no one wants to lay himself open to the charge that he is reactionary. Education has become almost a sacrosanct subject. This should not be so. The actual work of training the youth of the nation may be a task for technically trained specialists but the taxpayers pay the bills and therefore they must take an intelligent interest in the necessary business side of the question.

Paradoxes in Education

"The problem is simple to express, but baffling to solve. It is to determine how we are going to take the benefits of an ever improving educational system to a constantly increasing number of children and at the same time keep school taxes within the range of the taxpayer's ability to pay.

"Teachers, we are told, are underpaid; yet taxpayers are over-burdened with educational costs.

"In scores of cities and towns, children are going to school in overcrowded school rooms or even in wooden overflow buildings. Yet it is in the very communities where this is the case that the rate of tax collections is so low as to suggest that the citizens cannot pay more taxes to build more schools.

"These paradoxes in the problem indicate its complexity. But when we start to analyze it we find some interesting things.

One Price For Booms

"First, that the problem of school costs is most acute in the newer and more rapidly growing municipalities, which suggests that excessive school taxes are another part of the price that a municipality pays for being dynamic and indulging in boom conditions.

"Secondly, we find that in the average community the average cost per pupil of public school education has not risen greatly since the war. The financial problem has been made acute by developments in secondary education. There are more students than ever in secondary schools. Raising the school leaving age has been a factor in Ontario and possibly elsewhere. But there are other influences at work. Mechanization has given us greater leisure during our lifetimes; the depression has reduced the number of new jobs being created. There is less inducement for children to leave school; more inducement to go on for a few extra years. They spend these extra years in secondary schools.

"It costs twice as much per pupil per year in a secondary school as in a public school. Thus the number of pupils has increased at the point where it means the greatest additional cost to the taxpayer."

What Can We Afford?

Mr. Bradshaw does not dogmatically offer any very positive solutions for the problem. But he suggests some points for consideration.

"If we can avoid boom conditions in our municipalities and avoid the too rapid extension of municipal boundaries, we will avoid some of the more acute problems of educational costs.

"Also it would be in order for our provincial authorities and our municipal councillors and school trustees to survey the nature of the educational services we are giving our children, in the light of the taxpayer's problems. Are we putting children through educational factories, without regard for the possibility of many of them getting either value or inspiration out of what we are cramming into their heads? Perhaps, for most children a simpler and less expensive mental fare would be of greater practical advantage.

Self-supporting Grades

"And can we not make our educational activities more nearly self-supporting in the later school grades? Let us not argue with free public school education, which most people want and are willing to pay for. But after public school, fees might properly be charged. They could be small for the first high school year, larger the next, and so on until in the final grades, where the equivalent of a first year university training is given, fees might be practically enough to cover the cost. In the case of brilliant and promising students, whose parents are in reduced circumstances, a generous system of scholarships would ensure that no deserving student would ever be denied opportunity."

"Tax Socialism" At Work

Mr. Bradshaw's views are equally broad on the subject of the rising tide of paternalism in government. He was asked for his ideas on the subject of what some writers call Tax Socialism; the system of enlarging welfare and social services of the community and paying for them by increasing tax levies on those who own property or enjoy good incomes.

"Of course," he says, "there has always been a measure of Tax Socialism in municipal finance. The owner of the million dollar office building or the $100,000 house, is a much larger contributor to the tax revenues than the corner grocer or the man in a workingman's house. To the extent that his taxes go to pay for police and fire protection, for care of streets, etc., he is paying more because he derives more benefit from the city services. But to the extent that his taxes pay for schools, parks, old age pensions, high minimum civic wages, etc., he is paying more in order that less privileged persons should pay less. As the tendency is for municipalities to go more and more into social services, Tax Socialism is advancing rapidly.

Whose Job Is It?

"Now I have no particular quarrel with the evening out of wealth and advantage. We are not discussing the philosophy of a social concept but rather the relation of municipal government to it. And I cannot help feeling that municipalities are getting away from their real function when they assume the task of wealth redistribution that is involved in paternalistic activities. To say that the State should perform a certain function for its citizens is not necessarily to prove that the municipality is the particular governmental body that should do the job. The local authorities should confine their activities to the restricted field of community affairs and should leave to other governments the task of rebuilding society. Municipalities are taking on year after year jobs that are more properly the responsibility—if a public responsibility at all—of the provincial or Dominion governments. This is one of the causes of high municipal taxes and of municipal defaults.

"Municipalities must remember that their revenue sources are closely restricted, and that they derive their authority from larger governmental units. If our country comprised a series of self-governing city states, on the ancient Grecian pattern, then there would be a field for social experimentation by our municipal authorities. But our communities have been created to provide the citizens with certain essential services of a very local character and the citizens, as taxpayers, will resent any attempt to encroach on higher spheres of governmental authority.

Inter-town Competition

"Every local taxpayer, in every working day of his life, is in direct competition with citizens of other cities and towns. If a town is too expensive to live in, or too expensive to work in, because of high taxes, its industries will be handicapped, its land values will fall, its civic incomes will decline, and all the citizens will suffer, be they men of wealth or men who carry dinner pails.

"Can we not fairly regard it as of some significance that in times of depression, the ratio of unemployment is lowest, and the comfort, happiness and security of the people reaches its greatest height in those municipalities where the scale of municipal expenditures is most frugal, where taxes are lowest, and where the demand for luxurious civic services is the least pronounced?"

Collective Insolvency

Almost the worst thing that can happen to a group of citizens, banded together as a municipality, is to become collectively insolvent. Mr. Bradshaw has studied the affairs of a sufficient number of defaulting communities to know what municipal bankruptcy implies. He says:

"Default is costly to everyone. It is serious for investors because it depreciates the values of their investments.

"It is serious for the municipality in many ways. New industries and new citizens will avoid the insolvent city. Recently the industrial commissioner of an Ontario city that had gotten into financial difficulties remarked ruefully that his efforts to interest new industries in coming to his area were meeting with no success. Manufacturers interpreted the city's financial troubles as evidence of incompetent administration and as a forerunner of increased taxation to restore solvency. This industrial commissioner realized that it would relieve some of the pressure on the taxpayers if new industries could be obtained and if new construction could be stimulated. It would take people off the relief rolls and would also put taxpaying properties on vacant lands that had been expensively improved. But the financial insolvency of the city was a barrier to new construction activities, even by private capital.

"When a city's finances get into a critical condition, the remedy will seldom be found in the levying of new or higher taxes."

Tax Increases No Remedy

In most of the reports of the boards of supervisors on which Mr. Bradshaw has acted as chairman, this paragraph has appeared:

"While the rate of taxation might be increased, it has been proven that, even with the rate that has been levied, taxes are being but indifferently met and in many instances—as evidenced by the substantial amount of arrears and the large number of properties registered for non-payment of taxes—cannot be collected. The ability of the properties to earn revenue and the ability of the people to pay taxes do not, in the opinion of the supervisors, justify increasing at present the burden of taxation.

"Default, then, is a serious thing for the municipality because the remedy for any individual case is not easy to find.

Public Responsibility

"Default or an unsound financial condition sometimes seems to undermine the sense of trusteeship, of public responsibility of elected officials. In defaulted towns, one often finds indifference or callousness toward those who have invested their money in the local debentures. I have heard more than one councillor speak of the bondholders as though they were unconscionable and greedy rascals. But it was the bondholders' money that built their schools and their streets, and gave them their other municipal services, that added to the comfort and advantages of the citizens. And as likely as not, the bondholder is a man or woman in circumstances a little different from those of the councillor himself in many instances, a local taxpayer; or possibly a public trust or fund, established for the common good.

"Men in municipal life are more apt to compromise their city's honor than their own. When things get bad, it is human nature to resort to desperate expedients.

"But men in public life should look to the future. The time will come when these same cities will need to borrow again if they are to progress. To the degree that they show common honesty and justice in effort to re-establish their financial solvency and their credit, will they be able to borrow freely in the future.

"Damaged credit can be restored, not easily or quickly, but the restoration of credit is worth heavy sacrifices on the part of the citizens."

Keep Our Cities Solvent

Keeping the municipality solvent is the point on which attention should be concentrated, of course, and to do this Mr. Bradshaw considers that the principles that should be applied to administrative policy are the same ordinary common sense things that make for success in any field of business. But he does anticipate a strengthening of provincial control of municipal finance, as a product of the municipal weaknesses revealed by the depression.

"The province must insist upon a certain measure of control because the interests of all the people in the province are prejudicially affected when one municipality becomes insolvent. A bruise on one apple endangers the whole barrel. If the town of Bingville defaults, the securities of the town of Bangville, next door, are affected even if Bangville's affairs are well administered.

"The attorney-general of Ontario in his rôle of paterfamilias to the people of the province, recently assumed the guardianship of the Dionne quintuplets. The provinces are going to adopt something of the same attitude toward the municipalities for their own good.

Three Vulnerable Points

"Municipalities should welcome provincial supervision and assistance. Only a few of the larger ones can afford to hire the best technical brains. There are three vulnerable points in municipal administration. They are engineering, accounting and financing. No town can be well administered and free from the danger of insolvency unless all of its projects are carefully studied from the engineering standpoint; unless its accounts are properly kept and carefully audited; and unless its finances are managed soundly.

"But what proportion of municipalities can afford the very best engineers, auditors and treasurers? It is a small proportion.

"The provinces, in their supervision of municipal affairs, will require to have capable engineers, auditors and financial experts to advise the municipalities.

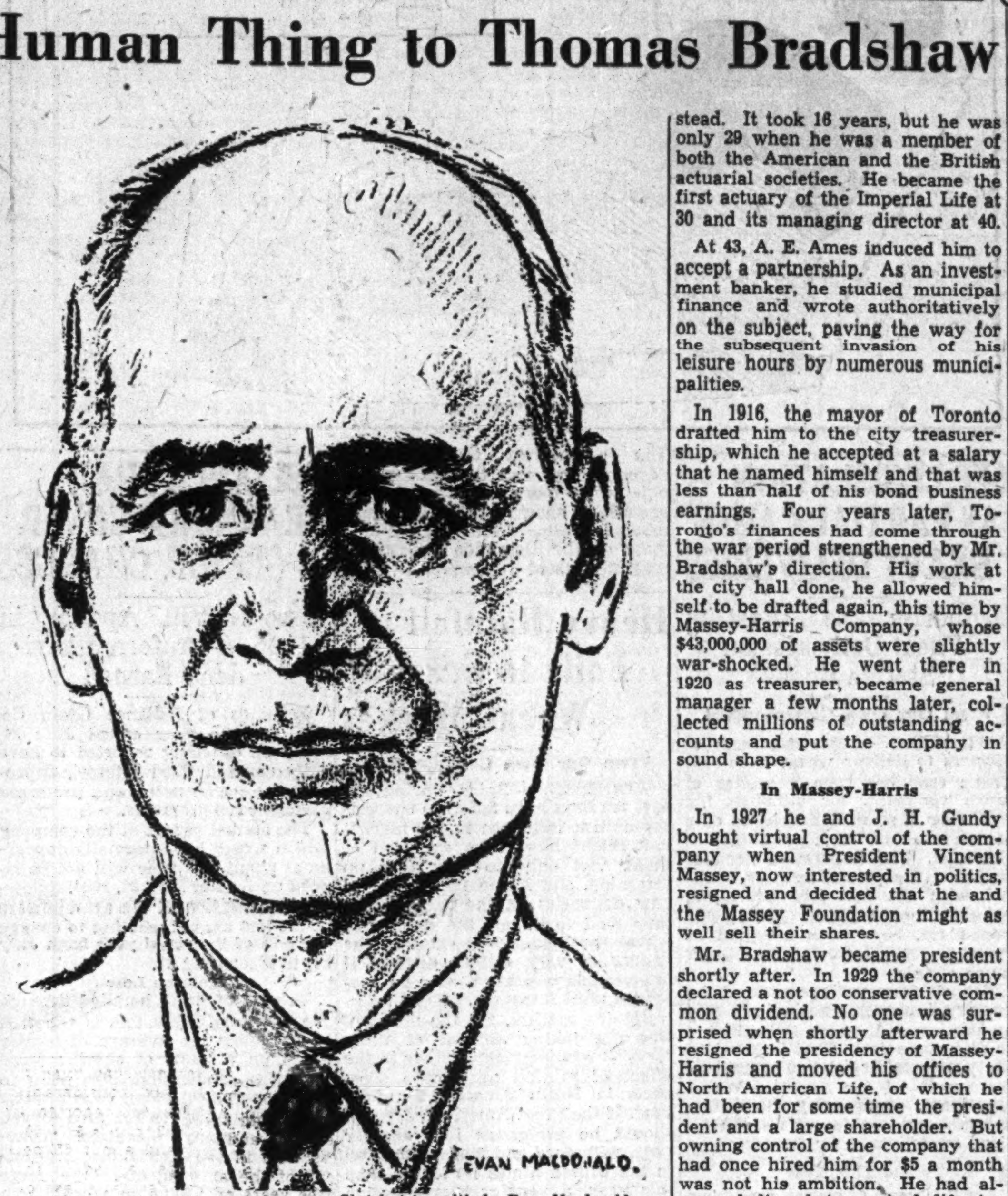
Avoiding Poor Investments

"Control of municipal finance, from within or without, can be most usefully exercised through capital undertakings. If each municipality, before embarking on any new capital investment, were required to have it approved by some central authority, which would study it from all angles, fewer unwise extensions and improvements would be made.

"Likewise municipal accounts would be audited by provincial officials. It is a fact that in many municipalities there is no audit worthy of the name. Municipal accounts are often kept deplorably. The local flour and feed store does it better.

"We never want in Canada again to experience a recurrence of the present wave of defaults."

Finance Is Human Thing to Thomas Bradshaw


EVAN MACDONALD.

—Sketched from life by Evan Macdonald.

THOMAS BRADSHAW

Financial friend and adviser of some two million hard-pressed municipal taxpayers. This is a rôle Thomas Bradshaw, of Toronto, has filled at various times during his career.

Since 1929, many a Canadian city, town, village or township has awakened to the cold, grey dawn of the morning after a pleasant boom—possibly local in nature, possibly part of national or world "prosperity."

The vogue in Canada, when municipal troubles arise, is to say "Let us get Mr. Bradshaw in to tell us what to do." So Mr. Bradshaw gets plenty of tough jobs to handle.

Cities He Has Served

In 1916 the City of Toronto summoned him to see the city's finances through the war. In 1932 Windsor called on him for a report on its affairs. More recently Winnipeg asked him for advice on how to avoid insolvency.

In Ontario he has been particularly busy. Nearly twenty per cent of the province's municipal debt is in default. Boards of supervisors have been helping to rule many municipalities. Mr. Bradshaw is chairman of ten such boards—East Windsor, Sandwich, Riverside, Tecumseh, LaSalle, Sandwich East, Sandwich West—all in the Border Cities area—and York, East York and Scarborough—on the outskirts of Toronto.

Mr. Bradshaw is Canada's No. 1 authority on municipal finance and as such Canada's chief doctor of sick municipalities. Yet one could hardly call him a professional in the field. His first interest today is life insurance, particularly the North American Life, of which he is president. But he has an intense sense of public responsibility. When cities or townships come to him for advice he can no more turn them down than the nerve-weary doctor can resist a call from a distant farm house, even when he knows that there will be a surgical problem and no money awaiting him.

Human Side of Finance

Finance is Mr. Bradshaw's métier. During his years in investment banking, insurance, municipal administration and manufacturing, all the problems he has solved have been expressed in dollars and cents. To him the dollar sign is as human as the worker's dinner pail. He sees financial problems in terms of human relations.

All business seems very simple to him. One reads into his business policies three principles. The first is "Do not spend more than you take in." The second is "Do not assume any debts that you cannot carry if the worst comes to worst." The third is "The man on the street ultimately pays for all unsound finance."

To municipal finance, Mr. Bradshaw applies these principles. When The Financial Post went to Mr. Bradshaw to discuss the problems of our insolvent and near-insolvent cities, it got views more sensible than sensational.

President of North American

Any views on municipal finance expressed by Thomas Bradshaw may be regarded as the views of a man who knows, from experience, what he is talking about.

Sitting in the presidential chair at the North American Life's head office building in Toronto, Mr. Bradshaw, surveys, as commander-in-chief, the front on which he once served as the lowliest of privates. For it was in the North American Life that he first came into touch with life assurance.

An English boy, he worked in Timothy Eaton's store in Toronto to earn his first wages. Then as messenger for a job printing office he called frequently at the North American Life offices, pestered the secretary with questions about the business and was hired as office boy. He was 13.

Actuary, Then Banker

He studied, mostly at nights, to be a doctor but became an actuary, instead. It took 16 years, but he was only 29 when he was a member of both the American and the British actuarial societies. He became the first actuary of the Imperial Life at 30 and its managing director at 40.

At 43, A. E. Ames induced him to accept a partnership. As an investment banker, he studied municipal finance and wrote authoritatively on the subject, paving the way for the subsequent invasion of his leisure hours by numerous municipalities.

In 1916, the mayor of Toronto drafted him to the city treasurership, which he accepted at a salary that he named himself and that was less than half of his bond business earnings. Four years later, Toronto's finances had come through the war period strengthened by Mr. Bradshaw's direction. His work at the city hall done, he allowed himself to be drafted again, this time by Massey-Harris Company, whose $43,000,000 of assets were slightly war-shocked. He went there in 1920 as treasurer, became general manager a few months later, collected millions of outstanding accounts and put the company in sound shape.

In Massey-Harris

In 1927 he and J. H. Gundy bought virtual control of the company when President Vincent Massey, now interested in politics, resigned and decided that he and the Massey Foundation might as well sell their shares.

Mr. Bradshaw became president shortly after. In 1929 the company declared a not too conservative common dividend. No one was surprised when shortly afterward he resigned the presidency of Massey-Harris and moved his offices to North American Life, of which he had been for some time the president and a large shareholder. But owning control of the company that had once hired him for $5 a month was not his ambition. He had always believed in mutual life insurance; he suggested redemption of the shares—or guarantee fund — of North American Life. Today the policyholders own and control the company.

How he manages to do all the work that he gets through mystifies even his friends. For two weeks recently, as a past president of Canadian National Exhibition, he spent a large part of each day at the Fair, helping out in one way and another. In the midst of it he found time to write and deliver a paper to the Ontario Municipal Association.

Finally, his name is Thomas Bradshaw and only that. The newspapers are always trying to give him a middle initial. He hasn't one.

CAPITAL TAX NOT POPULAR IN ONTARIO

Business Men Support Hepburn's Views in Principle

CALLED TAX ON DEBT

Founders' Argument That It Checks Cut-throat Competition Not Taken Seriously by Executives

Heads of incorporated companies generally agree with Premier Mitchell Hepburn, as reported in a recent special interview in The Financial Post, that the Ontario government tax on capital is wrong. Though the levy is not large, one tenth of one per cent, and in the case of the 15,000 incorporated companies actively operating in Ontario, only amounts to $7,500,000, it is the principle to which objection is taken.

Neither does the fact that a similar tax exists in every other province of Canada and many of the states across the line, alter the opinion held, The Post is informed. Like a levy on bonds, a capital tax, it is asserted, is really a tax on debt.

Encourage Profits

Speaking very generally industrial leaders in this country believe that as far as possible the authorities should allow individuals and companies to make money. Some go even farther and state that the various governments should encourage the making of money, and then when that money has been made the taxes should be levied on the revenue and not on the capital invested. Provided there is no duplication by other interests, there is no objection to a reasonable tax on actual earnings.

The argument of the founders of the tax, which is of very recent origin in Ontario but goes back 13 years in Quebec, that it acts as a curb on cut-throat competition, is not taken very seriously by the heads of chain stores and other selling organizations operating in a big way in Ontario. Sponsors of the tax on capital, have stated that it is a check on these companies which might be willing to forego profits for a number of years in an effort to put competitors out of business. In this way such firms would not contribute to the one per cent tax on revenue and without the capital levy would not be contributing one cent to the provincial revenue while they would be destroying companies which were contributing and at the same time giving profitable employment.

Not a Check

In theory, the company directors state, this argument seems to be sound, but in actual practice the escaping of the relatively small capital tax levy would not begin to offset the losses involved in cut price competition. A company with a million dollar capitalization for instance would pay now $1,000 per year. Such a saving would not allow that same company to do much price cutting on a turn-over of $15,000,000 or even $5,000,000.

Ultimately all such taxes on capital, it is pointed out, must be passed along to the consumer and in the passing along, costs of collecting are bound to multiply. Where times are good, this is not such a serious matter, but during recent years when consumers have not been able to buy as freely, any increase in price, no matter how slight, has a tendency to curtail purchasing power still further and so the vicious cycle of rising prices and falling sales is encouraged.

Needs Money

Although Premier Hepburn has expressed himself as against the principle of the tax, unfortunately, the Ontario government seems to need the money. Of a total annual revenue of slightly over $50,000,000 in recent years the loss of $7,500,000 or 15 per cent would be felt seriously and undoubtedly other steps would be taken to bolster receipts in another quarter. Passing the tax along to the revenue levy of one per cent might not be entirely practical because, naturally, it is more difficult to estimate future profits than a straight percentage on something already fixed, that is on capital.

Uncertainty!

It is this uncertainty as to future action that makes the average business men chary about change. Judging by recent interviews The Post concludes that many heads of incorporated companies would rather carry on under the present admittedly unfair conditions than trade this for some unknown quantity. They would object, for instance, to a double business tax, one by the provincial authorities and another by the municipalities. Some years ago the municipalities sought permission to raise the assessment for business tax purposes from 25 to 75 per cent. This was defeated in the legislature but it is understood that agitation has started again. Such a measure would result in trebling these taxes for many companies and would constitute a very serious charge.

Chains Charge Discrimination

Chain store organizations generally claim that the present system of provincial taxes is discriminatory. In addition to the straight capital tax, which the smaller independent merchant escapes there is another levy of $50 for each office or place of business. As a rule, too, the municipalities are reported to regard the chain as fair game for heavy assessments.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Situation Wanted

GENTLEMAN, 36, WIDELY TRAVELLED, highly educated, England, France, Germany. Exceptional administrative and secretarial experience, personality, and discreet, open to any appointment immediately anywhere. Replies treated confidentially. Address Box 47, The Financial Post, Toronto, Ont.

Wanted French Furniture and Decorations

ADVERTISER IS OPEN TO PURCHASE antique or very fine reproductions of French commodes with carved bronze mountings; also bureau, mirrors and decorations. Box 42, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 29th September, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 1st day of October, 1934, to shareholders of record of the 20th September, 1934.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 16th August, 1934.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1934, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
Walter Gillespie,
Manager.

The Whittall Can Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and five-eighths per cent (1⅝%), being at the rate of six and one-half per cent (6½%) per annum, on the Cumulative (Redeemable) Preferred Stock of the Company, has been declared, payable October 1st, 1934, to shareholders of record September 15th, 1934.

By Order of the Board.

D. H. MACFARLANE,
Secretary-Treasurer.

Montreal, September 6th, 1934.

The Montreal City & District Savings Bank

Dividend Notice

A dividend of three dollars per share, of the paid-up Capital Stock of this Bank, has been declared for the current quarter, payable on and after Monday, the first day of October next, to shareholders of record, Saturday, the fifteenth day of September next, at twelve o'clock noon.

By order of the Board,

T. TAGGART SMYTH,
General Manager.

Montreal, August 28th, 1934.

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 1st day of October, 1934, to shareholders of record September 15th, 1934.

By resolution of the Directors.

Dated at Ottawa this 12th day of September, A.D. 1934.

S. R. OUELLETTE,
Secretary-Treasurer.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 258
EXTRA DIVIDEND NUMBER 17

A regular dividend of 1%, and an extra dividend of 2%, making 3% in all, have been declared on the Capital Stock of the Company, payable on the 8th day of October, 1934, to shareholders of record at the close of business on the 21st day of September, 1934.

Dated the 14th day of September, 1934.

I. McIVOR,
Assistant-Treasurer.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1934, to Shareholders of record as at close of business September 15th, 1934.

W. S. BARBER,
Secretary-Treasurer.

Building Products Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the outstanding Common shares of the Company for the quarter ending September 30th, payable October 1st to shareholders of record September 18th, 1934.

By Order of the Board.

R. C. CROOKER,
Secretary-Treasurer.

Montreal, September 12th, 1934.

DIVIDEND NOTICES

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 153

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending September 30th, 1934, payable on and after Monday, the first day of October, 1934, to shareholders of record at the close of business on September 22nd, 1934.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, September 18th, 1934.

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the outstanding common shares of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 27th, 1934.

By Order of the Board.

JAMES WILSON,
Secretary-Treasurer.

Montreal, Sept. 17, 1934.

73rd Quarterly Dividend

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending September 30th, 1934, has this day been declared to shareholders of record, September 30th, 1934, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders October 31st, 1934.

By Order of the Board,

G. R. WHATLEY,
Secretary.

Montreal, September 17th, 1934.

Montreal Light Heat & Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

What Are the Newspapers Saying?

No business man has the time to read hundreds of papers daily; to search their pages for informative data relative to himself or his business.

Our Bureau would bring that service to you daily keeping you constantly and up-to-dately informed of all new developments affecting your business field.

Write us to-day of your requirements.

CANADIAN PRESS CLIPPING SERVICE
481 University Ave., Toronto 2

NOTICE

Notice to
THE HOLDERS OF FIRST (CLOSED) MORTGAGE SINKING FUND 6% GOLD BONDS DUE APRIL 1, 1948, OF DOMINION SQUARE CORPORATION

NOTICE IS HEREBY GIVEN that the undersigned, Dominion Square Corporation, on the 1st day of October, 1934, will make payment of the instalment of interest which became payable on the 1st day of April, 1933, in respect of the above mentioned Bonds.

Such payment will be made, at the option of the respective holders, in lawful money of Canada at the principal office of the Bank of Montreal in the cities of Montreal, Toronto, Halifax, Quebec, Ottawa, Winnipeg, Regina, Edmonton or Vancouver, or in lawful money of the United States of America at the head office of the National City Bank of New York in the City of New York, U.S.A., upon presentation and surrender of the coupons representing the interest payable on the said 1st day of April, 1933.

Montreal, September 7th, 1934.

DOMINION SQUARE CORPORATION,
J. S. McFARLAND, Secretary

Township of Teck

Tenders will be received addressed to the undersigned, sealed and marked "Tender for debentures" up to 4 p.m., September 28th, 1934, for the following debentures of the Township of Teck:

Bloc 1

$50,000.00 (Public School), 10 instalments, 4½%.

$65,000.00 (Waterworks Extensions—Relief), 10 instalments, 4½%.

Dated October 1st, 1934. Principal and interest payable annually, Imperial Bank, Kirkland Lake and Toronto.

Guaranteed as to principal and interest by the Province of Ontario.

Bloc 2

$20,000.00 (Public School), 5 instalments, 6%. Dated October 1, 1934.

$19,320.18 (Waterworks and Sewers), 15 instalments, 6%. Dated July 27, 1934.

$6,400.00 (Waterworks and Sewers), 10 instalments, 6%. Dated October 1st, 1934.

Principal and interest payable annually, Imperial Bank, Kirkland Lake and Toronto.

Tenderers are required to submit a price per $100.00 in Kirkland Lake funds on both blocs, and the Municipality reserves the right to accept the bid for either bloc on any tender. Purchaser furnishes legal opinion.

The highest or any tender not necessarily accepted.

J. W. McBAIN,
Clerk and Treasurer,
Township of Teck.

Kirkland Lake, Ont.,
September 17th, 1934.

Wheat

Argentine Shipments Heavy

WINNIPEG. — Heavy offerings from the Argentine continue to be a ruling factor in wheat market. These seem to have been accelerated as the prospect for the growing crop, with warm spring weather now being experienced, is considered satisfactory, although there is no expectation that the extraordinarily heavy yield of 1933 will be repeated. The heavy marketings since the beginning of the calendar year would have exhausted any ordinary crop, but the Argentine will apparently be able to ship in considerable quantity until the new crop is harvested. This tends to offset attention that would otherwise be paid to the increasingly poor outlook for the Australian crop.

The British wheat harvest, in spite of the drought, or perhaps rather because weather was exceptionally dry, has been very heavy, and that has had a tendency to slow down immediate demands for wheat. On the continent, too, the new harvest is being heavily drawn upon. A slowness of immediate demand is established, which is a reminder that although correction of the world surplus situation in wheat seems likely to be accomplished during the current crop year, the process has as yet hardly begun and it will be continued over many months.

* * *

See Effect of U. S. Markets

THE Winnipeg market is still being constantly affected by alternating strength and weakness in the wheat market of the United States, to some extent directly and also to some extent by reflex action through Liverpool. Buying of Canadian wheat for United States account has been somewhat less aggressive during the past week, but some continues to be obtained for milling in bond for a limited export trade in flour. It is still believed that the northwest will be looking to Canada for a good deal of spring wheat seed.

United States demand for our Durum wheat seems to have been temporarily satisfied. Millers of hard winter wheat in the south are trying to press their product on macaroni manufacturers as a substitute for Semolina made from Durum wheat. Word that the United States government plans to buy up a surplus of wheat on the North Pacific Coast for relief use is considered constructive, as it conveys intimation that the subsidized export of wheat from that territory which has had an adverse effect on international price, is likely to be brought to an end.

* * *

Crop Estimate Too Low

SCRUTINY of many reports from the country leads to the opinion that the Government estimate of the Western wheat crop at 265,000,000 bushels was possibly too low. But the larger quantity that may be obtained will be offset by lowering of grade of northern wheat, both as the result of August frosts, the full effect of which is only apparent when threshing is done, as well as great amount of damage almost certain to be incurred because of unfavorable harvesting weather. In addition the shortage of feed grains seems likely to be more acute than at first suspected.

* * *

Wheat Smuggling

ARRESTS in North Dakota on charges of smuggling wheat from Canada threaten to put an end to a movement of Canadian wheat across the border to elevators in the United States which has been fairly considerable. A number of farmers south of the line have been trying to make up for their short crops by coming north for wheat to be delivered as off their own farms, and an impression, evidently erroneous, got abroad that the United States government because of the difficult position of its own farmers, might wink at the practice.

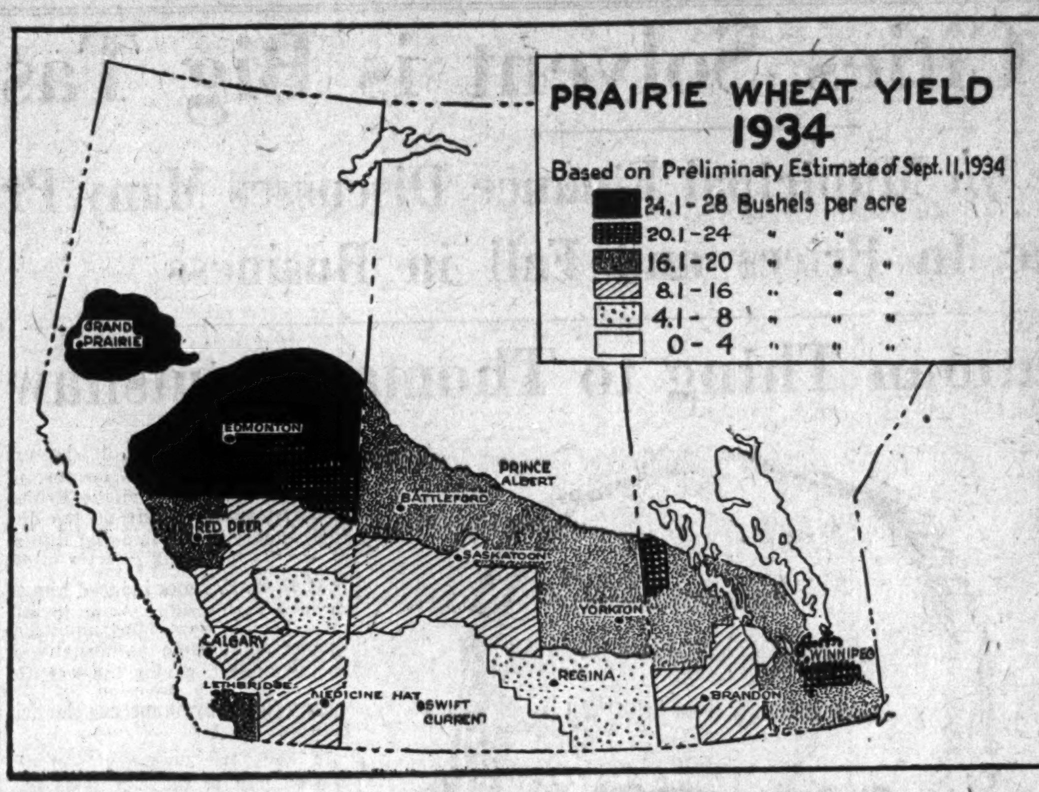
* * *

Expect Acreage Decline

WHEAT acreage in Western Canada is likely to show a considerable decline next year as compared with 1933. Much of the land in the dried-out areas of southern Saskatchewan is in poor condition, while farmers who have to depend upon Government sources for seed and feed are likely to lack means to seed the acreage they were formerly accustomed to consider normal. A good deal of land is heavily infested with Russian thistle, a weed likely to disappear with the first season, but one also which in the meantime interferes with cultivation.

Grain and Milling in Canada

Northern Areas Have Heavy Yield



The extent of Saskatchewan's drought area, and the good yields obtained in more northerly districts are clearly shown on the above map based on the preliminary yield estimate of the Dominion Bureau of Statistics, dated September 11, 1934.

SEE LEGISLATION AS PARTIAL CAUSE HEAVY DELIVERIES

Authority to Restrict Wheat Deliveries on Statute Books

From Our Own Correspondent

WINNIPEG. — The eagerness of farmers to deliver wheat from this year's crop has been a matter of much comment, for although the total crop is small deliveries to date are an unusually high percentage of the total. The imperative need of money on the part of farmers, coupled with the fact that prevailing prices, although lower than earlier hoped for, have been accepted as reasonably satisfactory, accounts for much of this.

Reports from various parts of the country, however, also indicate that an unsuspected reason is beginning to play some part. That is found in the provincial legislation passed as the result of the London Wheat agreement, empowering the different governments to set up restrictions on deliveries by farmers.

Not This Year

For this year, of course, such laws are regarded as dead, as there is no idea that, with a crop so small as has been produced, there will be any attempt to bring such legislation into effect. But no one knows what may happen in a subsequent year, especially as reports from international conferences indicate that attempts are still under way to extend the life of the London agreement.

Any farmer, therefore, who holds wheat over for another year, may run the risk of not being able to sell the held-over wheat, or of having to hold back a corresponding quantity of his next year's production. Probably the majority of farmers have not paid very much attention to this matter, as the tendency was largely to ignore the legislation that was passed by the provincial legislatures last winter. But at least sufficient note was taken of it in some quarters to have some effect in accelerating deliveries and sales by farmers in the early part of this season. That is more especially the case in Manitoba, where perhaps the opposition to such legislation by farmers was more pronounced than in other provinces.

Poor Threshing Weather

The pace of deliveries must inevitably slow down now as the result of unfavorable threshing weather, and it is also possible that an increased tendency on the part of farmers to hold wheat in their own granaries may be observed in the north, where crops were heavier and in addition threshing and harvesting were later than in the south.

Petroleum Production

The output of crude petroleum in Canada in June was 109,021 barrels, compared with 117,693 in May and 114,380 in June, 1933.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Previous Year bu.
Canadian Wheat in Store:			
Fort William, Sept. 14	57,460,188	56,460,072	63,581,138
Country elevators, Sept. 7	77,426,124	72,908,514	77,397,300
Total, all points, Sept. 7	201,810,915	193,929,924	205,242,924
World Shipments, incl. flour: Sept. 10:			
North American	3,103,000	4,821,000	4,175,000
Argentine	4,538,000	2,875,000	2,824,000
Black Sea*	464,000	256,000	944,000
Australian	1,347,000	1,142,000	2,070,000
Total, world	10,252,000	9,414,000	11,061,000
Visible Stocks:			
United States, Sept. 10	115,511,000	114,996,000	145,476,000
Argentine, Sept. 7	19,105,000	19,840,000	11,022,000
Australian, Sept. 7	38,520,000	45,000,000	18,240,000
Country Marketings & Exports:†			
Canadian exports, Sept. 7	2,708,694	3,646,079	3,025,395
Cum. to Sept. 7 (6 weeks)	17,369,770	14,661,076	18,304,449
Prairie marketings, Aug. 31	16,491,316	9,020,987	9,239,547
Cum. to Aug. 31 (5 weeks)	31,527,037	15,035,721	27,137,962
Country deliveries, Sept. 14‡	21,321,000	16,596,000	12,883,000
Country loadings, Sept. 14‡	13,262,000	10,266,000	8,539,000

* Includes South Russia. † Excluding flour. ‡ Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 18

Crop year from Aug. 1, 1934 High	Low		Open Sept. 12	High for week	Low for week	Close Sept. 18
		Wheat				
.95	.80⅛	October	.84¾	.84¾	.82⅛	.82½
.97	.81	December	.85½	.85½	.83	.83¼
1.00½	.85⅛	May	.89⅝	.89⅝	.87¼	.87⅝
		Oats				
.48	.40⅝	October	.47⅛	.47¼	.44⅞	.45⅛
.47⅝	.40⅛	December	.46⅝	.46⅝	.44¼	.44⅜
.49⅝	.41⅛	May	.48¼	.48¼	.45⅝	.45¾
		Barley				
.64⅜	.49⅝	October	.63½	.64	.57½	.58
.63¾	.51	December	.63	.63⅜	.57⅛	.58
.65	.57¼	May	.64	.64½	.57	.59½
		Flax				
1.73½	1.48½	October	1.60	1.60½	1.48⅛	1.49⅛
1.74¾	1.50	December	1.61½	1.62½	1.50	1.51¼
1.73½	1.57½	May	1.67¾	1.68⅝	1.57½	1.58
		Rye				
.76⅛	.61¾	October	.70	.70⅛	.64⅛	.65⅞
.77	.62⅞	December	.70¾	.71	.65¾	.66⅝
.80⅛	.69	May	.74	.74¼	.69	.70⅛

Heavy Rainfall Fails to Scare Wheat Market

From Our Own Correspondent

WINNIPEG. — Rains during the past ten days have failed to exercise the bullish influence in the market that might have been expected of them. Not only do they slow up threshing, and lessen the weight of new deliveries on the market, but they tend to impair the quality of wheat threshed, while creating the danger of very serious damage if unfavorable weather should be prolonged until freeze-up.

But the market, for the moment, was not taking account of those facts. It was interested rather in the effect of rainfall upon crop prospects in North America for next year. If the great American drought should be prolonged into another year, with food and feed production in the United States no larger than this year, a very serious situation with respect to supplies might be created. Had dry weather been prolonged much later it would not have been hard to develop a scare as to next year's production in the United States, and many observers have been watching to see if that would develop.

But the drought has been relieved in the United States by fairly copious rains, although a good deal more moisture before winter is apparently desired in the winter wheat area, while the spring wheat country needs extremely heavy precipitation to establish any reasonable probability of fair production next year. When harvest rains are reported in Canada, therefore, the tendency is to consider them more in relation to the ending of the drought than in relation to this year's supply of wheat, no matter what impairment in grade may be in prospect.

RELIANCE GRAIN EARNINGS COVER SENIOR CHARGES

Report Will Appear in 1935 — Preferred Dividend Earned

Earnings of Reliance Grain Co. Ltd. for the year ended July 31, 1934, are officially reported to have fully covered bond interest, depreciation, income taxes, and preferred dividend requirements.

The annual report of the company which would have normally appeared at about this time will not be issued until after Dec. 31, 1934, following the decision of the shareholders at the last annual meeting to change the end of the fiscal year from July 31, to December 31.

Volume Low

Volume of grain handled through the company's elevators is reported to be below the average of former years on account of shorter crops last year. Indications also point to the present crop being even smaller than that of 1933 in the area served by the company's elevators. "However," states Sydney T. Smith, president of the company, "the large carryover of Canadian wheat from former years will add materially to the amount we handle for export and, owing to the smaller crops in Europe, and partial crop failure in the exporting countries, we confidently expect there will be a very good demand for Canadian grain including wheat, oats and barley, from the importing countries of the world."

Prices Better

Increased prices for grain, owing to short crop conditions everywhere have greatly benefitted the farmers in those sections of western Canada where the crops have been good, it is reported, and the better financial returns for the Canadian crop as a whole are expected to have a beneficial effect on general western business and to that extend also on the general earnings of such companies as Reliance Grain.

In the Mail

A Britisher Views the Wheat Agreement

Editor, The Financial Post:

Judging from a statement made by the Archbishop of Canterbury in the House of Lords on July 25 last, and from reports which have appeared in the press from time to time, there has since 1932 been a state of famine in Russia, or at any rate in large parts of that country, particularly in the wheat-growing areas. It would seem possible that during the coming winter the Russian bread shortage will again become acute, although, no doubt, the larger towns and the armed forces of the Soviets will be supplied more or less adequately.

The policy of the Government of the United States of America is, or was, to limit acreage under wheat for the purpose of raising prices and of liquidating the surplus stocks accumulated by reason of the operations of the Hoover Farm Relief Plan and the imposition of higher and better tariffs, which, taken together, had resulted in the walling-in of American produce as surely as they barred out foreign goods.

There is today no famine in the United States, as domestic supplies can be drawn upon this year, and the United States is still, presumably, wealthy enough to import wheat, if she so chooses, from more provident countries, whose Governments have not yet, to any great extent, followed Mr. Roosevelt's lead toward reduction of production and taxation of the consumer, in spite of the very active efforts to that end made by the United States and some other officials serving on the Advisory Committee acting under the International Wheat Agreement of 1933.

The "Economist," in an article headed "Providence takes a hand," which appeared in the issue of that paper on August 18, says: ". . . if Nature continues in unfriendly mood and behaves as harshly to the growing crops of 1935 as she has behaved this year the world's consumers might well be threatened then, if not now, by a much sharper rise in the price of bread than has hitherto been imagined, even by the restrictionists."

Looking back over the files of the "Spectator" I see that on January 17, 1925, Mr. Strachey said: "To prevent exchanges between individuals all over the world from taking their natural course, and to do so by means of State action and violent interferences with the rolling-stock of commerce and industry, is sure to end in waste and very likely in disaster." Ever since Governments and Government-supported activities, such as the Canadian wheat pools, commenced to interfere with the production, marketing, and milling of wheat, the "waste" which Mr. Strachey predicted has been apparent, and "disaster" may yet overtake us if we leave ourselves in the hands of "planners" who, although quite unable to forecast events, far less to control them, set themselves up as the authority under which the wheat supplies of this and other countries shall be allotted and prices fixed.

It is difficult to see how anything of value can result from the activities of the Wheat Advisory Committee. If they are free to make further plans they may well do the world incalculable harm. Apart from saving of the faces of certain overseas officials, there appears to be no good reason why the international agreement should not now be cancelled.

E. REDMAYNE JONES,
President,
The Liverpool Corn Trade Association, Ltd., Liverpool.

Bread Costly in Germany

Cheapest in Belgium

Bread prices in Germany are nearly five times as great as in Belgium and more than double those prevailing in Canada, it is revealed by a recent compilation published in the International Labor Review. Cheapest bread is available in Belgium with the United Kingdom and Czechoslovakia following in that order. Prices are the averages for October, 1933.

The average price in the United States is shown to be two cents a pound higher than in Canada. Scandinavian countries follow Germany among those where bread is dearest. The complete schedule follows:

Bread Prices in Various Countries

Country—Unit of currency—	Price per kilo (2.2 lbs.)	U.S. equiv. per lb. cents
Germany, rm.	0.72	13½
Finland, f. mks.	10.06	9½
Sweden, kr.	0.79	9
Norway, kr.	0.78	8½
U. S. A., cents	17.6	8¼
Denmark, kr.	0.77	7½
Canada, cents	14.0	6¼
Holland, fl.	0.23	6½
Italy, lire	1.74	6¼
France, francs	1.97	5½
Irish Free State, pence	5.0	4½
Australia, pence	5.8	4½
Switzerland, francs	0.33	4¼
Spain, pesetas	0.69	4
Czechoslovakia, kc.	1.87	3½
U. Kingdom, pence	4.1	3½
Belgium, francs	1.45	2¾

Heavier Livestock Receipts

With the exception of hogs, in which there was a slight decrease, livestock receipts at the Moose Jaw stockyards during the first nine months of the year show increases over those of the similar period of last year.

ALBERTA PACIFIC NET UP SLIGHTLY LIABILITIES DOWN

Working Capital Position Improved — Poor Crops in Territory

Net earnings of the Alberta Pacific Grain Co. were $436,821 for the year ended June 30, 1934, as against $421,728 for 1933. After depreciation of $251,507 which was approximately $40,000 higher than in the preceding year and bond interest of $165,834 as against $189,218 in 1933, provision for taxes, directors fees, etc., there was a net profit of $6,480 as against $14,468 in the preceding year. After assuming $6,480 of losses of subsidiary and $12,914 for previous year's adjustment on taxes the surplus carried forward was reduced from $391,356 in 1933 to $378,442 for the year just concluded.

Income and Surplus Account
Years Ended June 30

	1934 $	1933 $
Net earnings	436,821	421,728
Less: Deprec.	251,507	211,740
Bond int. & prem.	165,834	189,218
Oper. loss of subs.	......	6,493
Prov. for taxes	12,000	......
Directors' fees	1,000	......
Net profit	6,480	14,268
Add: Prev. surp.	391,356	377,088
Less: Pr. yr. tax. adj.	12,914	......
Subs. loss assumed	6,480	......
Balance forward	378,442	391,356

During the past four years, the company has operated under the necessity of recovering from an impaired working capital position, states H. E. Sellers, president of the company in his report to the shareholders while, at the same time, maintaining its property and meeting bond interest and sinking fund charges.

Suspend Sinking Fund

Bondholders, states Mr. Sellers, have now approved the suspension of the sinking fund for the period of three years ending June 30, 1936, on the understanding that no dividends shall be paid on the company's shares while any sinking fund payments are in arrears. In consequence, the company did not meet the June 1, 1934, sinking fund payment.

While the grain crop harvested in Alberta this year is estimated to exceed the 1933 production, Mr. Sellers stated that due to drought in southern and central Saskatchewan and central eastern Alberta, the bulk of the territory served by the company again lacks any appreciable amount of grain to market.

Keep in Repair

During the last fiscal year of the company, it is reported that properties were maintained in a good state of repair. Electric motors were installed in 50 of the Alberta elevators in a further effort to promote working efficiency, and economy in operation. Two elevators which were destroyed by fire were not rebuilt as the company decided that the community in which these were located were already served with sufficient grain handling facilities under prevailing conditions.

The excess of current liabilities over current assets which amounted to $213,762 in 1933 was reduced to $19,284 in 1934. Chief among the current assets were stocks of grain and coal valued at $4,341,286 as compared with $4,908,189 in 1933.

Working Capital

	1934 $	1933 $
Current assets	4,602,016	5,188,533
Current liabilities	4,621,300	5,402,295
Working capital	*19,284	*213,762
Ratio	0.99—1	0.96—1

*Excess of current liabilities over current assets.

Current liabilities, however, show a greater reduction from $5,402,295 in 1933, to $4,621,300 in 1934. Bank loans were reduced from $4,966,310 to $4,306,000.

Say Pooled Wheat In Heavier Volume In Saskatchewan

From Our Own Correspondent

REGINA — The Saskatchewan wheat pool reports the proportion of pooled wheat for this crop season is running nearly three times as high as it did last year. This means a large volume of grain handled by pooling methods.

The policy decided by the organization more than one year ago and still in effect, provides that the grower must declare at the time of delivery the mode of sale, whether open market or by the pooling method. A grower has the option also of selling part on the open market and part in the pool.

Gets Average Price

The pooling method enables the farmer to get a more uniform price for his crop, based on the season's average price. His wheat is held by the pool which markets in an orderly manner until the pool is cleaned up and an average price struck.

The Pool Elevators Ltd., now operates 1,068 elevators in the province, one more than last year. Five elevators have been built and four dismantled. Deliveries during the last crop year were well maintained. Including platform loadings, in excess of 60,000,000 bushels were handed from a short crop. The percentage was approximately the same as last year, slightly more than 43 per cent.

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Your Investments

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Donnacona Paper

Would you be kind enough to let me know what are the prospects of Donnacona Paper Co. paying something on its common stock? I have had a small interest in this company for some time and am wondering if it is ever going to pay a dividend.

Donnacona Paper Co., like all other newsprint manufacturers, is experiencing a better volume of business but due to the low selling price net earnings are limited. The newsprint operators have taken collective action to improve their position, and there is a possibility that by the end of this year, they will be able to secure an increase in the price of newsprint of approximately $5 a ton. This will go a long way toward creating an earning power back of Donnacona Paper Co.'s bonds. Last year the company reported net earnings of $150,308, practically all of which was written off for depreciation. Under the terms of this company's reorganization, the bondholders accepted a provision for payment of interest from August 1, 1934, to August 1, 1936, inclusive, on a net earned income only, such interest to be cumulative and accumulations to bear interest at five and a half per cent per annum. As far as the stock is concerned, there appears to be little prospect of anything in the way of earnings over the next year or two.

York-Adelaide

I would appreciate any information you can give concerning York-Adelaide Realty Co.

York-Adelaide Realty Co. owns the York-Adelaide garage located at the corner of those streets in Toronto. Interest on the $400,000 of seven per cent, first mortgage bonds has been in default since 1932 and there is no prospect of a payment of interest for some time.

Imperial Oil Ltd. is a holder of securities of the company, it is understood, and has taken a direct interest in the management for the last two years. At present, earnings are being applied chiefly to paying tax arrears. All of 1931 taxes have been paid and efforts are now directed toward payment of 1932 taxes. The 1933 taxes, of course, are also in arrears. It will be a long time before bondholders are likely to get any interest on their money.

Beauharnois Power

My brokers advise me to purchase some of the Beauharnois collateral trust bonds, saying that over the next three or four years they should show an appreciation in value which would give me a substantial return on my investment. What do you think of this?

Beauharnois Power collateral trust bonds now pay no interest. While no income is to be derived from these bonds until 1938, expectations are that the market value of the security will increase as the time draws near for the company to meet its interest payment. Under the terms of its contracts with Ontario Hydro and Montreal Power, the company is assured of sufficient income to meet its operating charge, interest on the first mortgage bonds of the operating company and the payment due on the collateral trust bonds.

Can. Atlantic Ry.

I should like some information on the traffic density and security of the Canada Atlantic 4 per cent bonds. It appears to me that a large part of this line might easily be abandoned.

The chief security for Canada Atlantic Railway bonds is the guarantee of the Grand Trunk Railway Co. which was taken over by the Canadian National Railways Co. and under which, in the opinion of Gerard Ruel, K.C., the C.N.R. is fully liable.

The chief mileage of the Canada Atlantic Railway Co. is between Parry Sound and Ottawa, Ont., and from Ottawa to the international boundary. The line between Parry Sound and Ottawa is the old Booth lumber railway and is very inactive.

The annual statement of the Canadian National Railways Co. does not show the Canada Atlantic 4 per cent bonds as among its guarantees. Nevertheless, Gerard Ruel was formerly vice-president of the C.N.R. and has clearly stated in connection with the issue of Canada Atlantic 4 per cent bonds that the former guarantee of the Grand Trunk Railway Co. which was taken over by the C.N.R. obligates the national railway to meet the bonds. This legal opinion appears to be the chief warranty of the security for the bonds. The lines mortgaged are of distinctly inferior value except for certain terminal properties in the neighborhood of Ottawa, and the line from Ottawa to the international boundary.

Canadian Safeway Ltd.

Where does Canadian Safeway Stores Ltd. enter the chain store picture? Is any stock held in Canada and where does company operate?

Canadian Safeway Stores Limited is a wholly owned subsidiary of Safeway Stores Inc. with general headquarters at Reno, Nevada. This company does a large business in the western states and the western provinces of Canada with a total of 3,229 stores and markets at the beginning of 1934. In 1929, the company extended operations into Canada under the name of Canadian Safeway Stores Limited, also acquired controlling interest in Macdonalds Consolidated Limited, a wholesale grocery firm operating throughout the Canadian west. Eventually operations extended from the Pacific Coast, east as far as Fort William, Ont.

We have no knowledge of a separate stock issue for the Canadian subsidiary. The 6 per cent preferred stock sold to Canadians in 1930, we understand, represented shares in the parent company, Safeway Stores Inc. There are no separate figures issued for Canadian sales or earnings. The company ranks second or third largest of the food chain stores on the continent. Dividends on the preferred stock have been maintained at the regular rate since 1928. The company has no funded debt. Net sales for the year ended December 31, 1933, amounted to $220,156,842 as compared with $229,173,469 for 1932. In 1933 there was a surplus of $888,714 as compared with a deficit of $223,605 in 1932. For the first 28 weeks of the current year, sales are reported at $125,598,217 as compared with $114,385,828 for the same period in 1933, or an increase of almost 10 per cent. Earnings for the first six months of the present year are reported at $1,781,692 or equal to $1.61 per share on the common. Headquarters of the Canadian subsidiaries are Vancouver for Canadian Safeway Stores Limited and Winnipeg for MacDonalds Consolidated Ltd.

Gatineau Power

In the last two or three months the bonds of Gatineau Power Co. have appreciated in value, and I am wondering whether or not I should sell. Can you let me know if the company is covering its funded debt charges?

Gatineau Power Co., as one of the largest wholesale distributors of power in the Dominion, has demonstrated its ability to earn sufficient money to cover its senior charges. Under the terms of the contract with Ontario Hydro, income is sufficient to take care of operating expenses and interest on the first mortgage bonds. Revenue available from sale of power to Canadian International Paper, E. B. Eddy Co., Fraser Companies, Canada Cement, Ottawa Electric and other large users of power, goes toward meeting the interest on the debentures. This charge has been adequately met.

Dunlop Tire & Rubber

Who owns Dunlop Tire & Rubber Co. and how is the company doing?

Dunlop Tire & Rubber Company is a Canadian subsidiary of the Dunlop Rubber Company of Great Britain. The latter company assumed control in 1928. The annual statement of the Canadian firm is not made public but there are outstanding $580,200 7 per cent cumulative preferred shares of $100 par value and 49,625 common shares of $100 each. Dividends on the preferred were paid regularly from 1899 to and including July 2, 1931. None has been paid since.

The parent company had a small loss in trading operations in 1933. The reorganization of the Canadian company in 1933, according to a statement by the chairman of the British company, Rt. Hon. Sir Eric Geddes, had worked out as hoped and officials were looking forward with hope to the future of Canadian operations.

Hydro and O.P.S.

I would like to have your views of Ontario Hydro 3½-4-5 per cent bonds, due 1952, issued in exchange for Ontario Power Service bonds. One "sensation" journal prophesies their repudiation by the province of Ontario. Do you think there is any reason why this issue could be repudiated without undermining provincial credit as a whole?

The Hydro bonds guaranteed by Ontario, issued in exchange for Ontario Power Service bonds, are a direct obligation of the provincial Hydro commission and carry the unqualified guarantee of the province. Beyond the fact that they bear different interest rates and were issued in connection with a specific transaction, they do not differ from many other Hydro bonds guaranteed by the province.

If these bonds were to be repudiated, it would certainly have a deteriorating effect on the whole provincial credit structure. There appears to be no anticipation in financial markets of any such repudiation and as far as we know the new government has given no indication of making any such radical move. Even though a succeeding government might not approve of the policies of its predecessor, it has never been the practice in British countries for a new government to repudiate the financial obligations assumed by any preceding administration. If this were done, there would be no stability in finance and credit of the government.

Farm Mortgage Firms

I am interested in two mortgage companies operating in Western Canada. In the last two years both companies have been forced to call upon reserves. Collections have been down sharply. At present agricultural prices, when will collections from farm mortgages get back to something like normal?

Earnings of mortgage companies operating in Western Canada depend almost entirely upon two factors (1) wheat crops and prices and (2) the districts in which these mortgages are placed.

Wheat prices in Canada today are between 10 and 15 per cent higher than a year ago, the range for the crop year to date being 80¼c. per bushel to 95 for October wheat as against 67 to 89 cents for the corresponding period in 1933. This increase is not a very large one and has been steadily narrowing but it should be remembered that anything over the cost of production represents a clear profit and prices today are considered to be above the average cost of production. A continuance of today's prices, however, would not restore immediately if at all the prosperous days of the pre-slump era. Prices generally speaking are not as high as in 1927-29 and of even more importance, crop yields have been lower. Before rapid improvement could take place, some of the accumulated debt of the last few years would have to be paid off.

However, speaking generally, the relatively small crop of this year at higher prices should put part of the Canadian west in a better condition than a year ago. Before, however, any big improvement can be expected, a much bigger crop at today's or better prices would have to be harvested. Present prices for wheat and other agricultural products are generally considered to be about the minimum at which Canadian farmers can operate at a profit. The only trouble at present is that there is not a very large agricultural production to sell at these prices. If they hold through the next year and much larger crops are harvested, then there will be a different story.

The district in which the mortgages are placed must not be overlooked. There are certain sections of the Canadian west which are not as favored as others. There is talk at the present time of abandoning some of the farming areas to sheep and cattle ranching. If this was done, naturally the land mortgaged could not pay anything like the same return as it would if producing good crops of grain. The regular wheat areas, too, are considered to be more of a gamble than those sections where mixed farming, that is dairying and hog raising, as well as grain growing, are carried on. Generally speaking, returns are steadier from the latter type of farming though they are smaller than in those somewhat rare periods when wheat yields are very large and the price is very good.

The two factors we mention as governing the earnings of mortgage companies are so broad that it is difficult to make any definite prediction. It seems to be generally agreed, however, that at least two and possibly three good years with large crops and prices at least equal to those prevailing at present would be needed to put the Canadian west back on its feet and restore earnings of mortgage and other companies interested there to what used to be considered normal levels.

Great Lakes Paper

I would like to have a report from you on the Great Lakes Paper Co. I hold some of the bonds of this company and am wondering what action is being taken to bring about a reorganization of the enterprise.

A reorganization scheme for Great Lakes Paper Co. is expected to be undertaken as soon as certain legal uncertainties concerning the Company's Creditors' Arrangement Act are solved. The first mortgage is a clear-cut first lien on the property, there being no bank indebtedness.

The company is one of the lowest cost producers of newsprint in Canada and should, therefore, participate fully in any improvement in the industry.

Crescent Rd. Apts.

What is the operating position of Crescent Rd. Apartments?

Crescent Road Apartments is under the administration of the National Trust Company, the bondholders' trustee. The Chartered Trust & Executor Co., Toronto, has been appointed receiver and manager for the property. A surplus is being earned above taxes and operating expenses but is not sufficient to cover bond interest in full, although slightly improved over what it was earlier this year.

Steps to foreclose the property have not been taken and would require a considerable time. The building, however, is being operated by the receiver in bondholders' interests.

Gypsum, Lime

Please let me have a report on Gypsum, Lime and Alabastine. I would like to know how the company is getting along and the extent of current earnings.

Gypsum, Lime and Alabastine's operations have been affected by the small volume of new building undertaken in this country. Adjustments have been made to meet the new conditions and expectations are that during the current year the company will have sufficient net earnings to cover bond interest, depreciation, with a small balance left over. This organization was unable to complete its consolidation plans before the depression set in. The last two or three years, consequently, have been devoted to adjusting and placing the enterprise on a basis which would permit it to handle a larger volume of business when conditions are on a more normal level. As the situation now stands, the company is in a position to take care of its bond interest requirements, while it would appear as if sales of the company should tend to increase rather than to decrease.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

Write-ups

WRITE-UPS of leading firms, and special interviews with outstanding financial celebrities who still may get a thrill out of seeing their names and opinions in print, form the basis for a reviving racket both in Canada and the United States. The approach is usually made through a long distance call on which the charges are reversed.

The man to be interviewed or the head of a big firm to be written up is told that an article is being prepared for the current number of a publication with a very important sounding name. Parts of the proposed article are read over the 'phone and comment and further information is requested. If the firm head feels that the article will result in good publicity or if the subject is of vital interest to the financial leader, usually quite a long conversation is carried on.

Toward the conclusion the caller states that the interview or write-up will be published in full and it is suggested that a number of copies of the magazine should be ordered. In the case of a firm, probably sufficient to circularize all of the shareholders may be ordered while the financial authority will want anywhere from 100 to 10,000 copies containing his personal theories on a pet subject for distribution among his friends.

The price per copy of the magazine usually varies with the number of orders; the smaller the number, the larger the price.

Not only has a very expensive 'phone call to be paid for by the firm or other party interested, but when the copies of the magazine arrive, it is found to be a publication of practically no circulation or standing containing nothing but a large number of interviews and write-ups of a similar character to the one given by the victim. The articles are usually routine affairs, rewritten quickly to suit the next man or firm interviewed. They are cheaply prepared and printed, and of utterly no value to anyone because there is no circulation.

Richmond Bay

Kindly let me have your opinion on the Richmond Bay first mortgage bonds. I am particularly interested in having a report on the earnings of the company.

Interest on the Richmond Bay 6½ per cent bonds is being earned and paid and the company is paying off arrears of taxes and sinking fund. In 1933, income was $186,938, and all expenses $94,425, leaving $92,513 available to meet bond interst of $53,680. Thus, interest including U.S. exchanges was earned 1.66 times in 1933, compared with 1.98 times in 1932. The company has apparently ceased to pay interest on its second mortgage.

All 1932 taxes have been paid and the company has been paying approximately $4,000 a month on 1933 taxes. The sinking fund is in arrears but the arrears have been reduced in the last year. The building is favorably located and well rented.

Maple Leaf Milling

Recently I noticed a quotation of $9.25 to $10 on Maple Leaf preferred shares. What do you think of this security? I understand the company has recently been reorganized.

Banks are a big factor in the Maple Leaf Milling reorganization scheme, the company being virtually dependent on loans for its working capital. The quotation of $9.25 to $10 on the Maple Leaf preferred shares refers to the old class A preferred, not to the new A shares which are not listed, and for which certificates have yet to be issued. However, on the basis of past experience the company should be able to earn the 2¾ per cent bond interest with a margin to spare.

Paying Deferred Dividends

I asked a bond agent not long ago, how and when one profited by this "cumulative" feature of preferred stock. His answer was: "Theoretically it should be paid, but I never knew of any one really getting it."

That is a sample of the "bluff" a Queen City agent will try to put over on a "woman in the country." Am I right in thinking he is wrong?

There are very many instances where the cumulative feature of preferred stock has proved of distinct benefit to the shareholder. To go no further Goodyear Tire and Rubber Company of Canada and Canada Packers are instances where large amounts of deferred dividends were paid off.

Massey-Harris

Kindly let me have any information you can regarding Massey-Harris.

Massey-Harris has been improving its position in the last two or three years in three respects:

1. It has been reducing its bank loans and other accounts payable in a considerable measure in so far as it has been able to collect part of its accounts outstanding.
2. It has reduced its inventory materially and written it down to present-day values.
3. This year its sales have been increasing again. You will realize that when the agricultural populations of the world have had their purchasing power sharply reduced on account of the lower prices of farm products, it is a bad time for farm implement companies. This particular company had very large inventories when the depression came and large accounts receivable. It has therefore during the depression been in great part a collecting agency and a concern whose main effort was to liquidate inventory. It has had severe operating losses but in the current year these losses are understood to be greatly reduced. Judging by past recovery from periods of depressions this company will have its best chances of recovery as farmers increase their purchasing power.

Sinking fund payments on bonds have been omitted for a year. Conservation of cash becomes very important until the corner is finally turned for net profits again.

No Par Stock

At what figure must no par value stock be carried on companies' books?

Must a subscriber to n.p.v. shares pay for them in full at time of subscribing?

Must all proceeds of sale of n.p.v. shares be credited to capital account?

You ask at what figure no par value stocks must be carried on a company's books. There are 10 Companies' Acts in Canada; one Dominion Companies' Act and nine Provincial Companies' Acts. To determine the law with respect to any particular company, you would have to find out where it was incorporated and you could get a copy of the companies act for the province or for the Dominion if it was a Dominion company. The law leaves considerable latitude to the directors, and therefore in each company's case it would be as well to secure information from company officials. The question as to whether no par value shares should be paid for in full at time of subscribing or on a partial payment basis is also a matter to be decided by the directorate or by the underwriters which take the stock from the company.

All proceeds of sales of no par value shares are not necessarily credited to capital account. The latest Dominion Companies' Act limits the amount which may be set aside as distributable surplus to 25 per cent, that is, a surplus which can be distributed back to shareholders in the form of dividends. Again the exact law would depend on whether the company was incorporated by one of the provinces or by the Dominion.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Magnet Lake Gold

Please give me some facts about Magnet Lake Gold Mines. Where is the property and when was the last offering made?

Magnet Lake Gold Mines is a prospect adjoining Bankfield Mine in the Little Long Lac area. The company has 26 mining claims which, officials claim, lie astride the strike of both main gold bearing breaks of this camp. The company has an authorized capitalization of 3,000,000 shares in $1 par value of which about 1,200,000 have been offered leaving 1,800,000 in the treasury. The most recent offering was in June when 200,000 shares were offered at 25c. per share.

Lebel Oro Mines

What is the present picture at Lebel Oro Mines please?

Lebel Oro Mines are concentrating on the company's Long Lake property where a 200-ton mill is in the process of being constructed, to begin operations shortly. It is officially estimated that there are at least two-and-a-half years' of ore in sight at the Long Lake property. Between 1910 and 1916 this property produced some $1,100,000 in gold from 150 tons of ore. There has been some talk of the company renewing development work on the other holdings at Mud Lake, Lebel township, Kirkland Lake district, but nothing definite has been announced. The report on drilling operations, released about a week ago in connection with the Long Lake property, proved disappointing. When the mill starts operation it is planned to treat tailings from former operations, estimated to amount to about 140,000 tons with indicated values of .09 gold per ton.

Little Long Lac

I have been urged to buy Little Long Lac Gold Mines Stock. Please tell me what you know of this company.

Little Long Lac Gold Mines is a prospect that has been giving a good account of itself since operation started early in the spring of 1933, according to official assay figures. It is currently one of the best looking prospects in the area, and may afford the sponsors of the company, a chance to redeem themselves after a series of promotions somewhat costly to the public. The company is at present installing a 200-ton mill and the shaft has been completed to a depth of 700 ft. Development work on the fifth level is reported to be opening vein width of 10 to 12 ft., averaging 7.5 oz. of gold per ton. On the third level, vein width was similar while on the sixth it increased to 18 ft. It may be that with greater vein width on the lower horizon, values will be somewhat lower than on the upper levels but this condition will be offset to some extent by the increased width. It is expected that the mill will be ready for operation late in the fall.

God's Lake Gold

I would like your opinion on God's Lake Gold Mines in the light of recent developments.

Stock in God's Lake Mines has been seeing some heavy weather recently, chiefly, in our opinion, because the public was looking for too sensational developments on the second level. The property is an intriguing one under the direction of Robert Jowsey. While developments on the 250-ft.-level have not been as startling as many people expected the values have stood up fairly well. It is development on this level which will decide whether or not a mill will be installed this fall. Plans for the construction of the mill have already been laid in order that, if warranted, it can be installed with as little delay as possible. The company is well managed and had as at December 31, 1933 a working capital of $308,504. Of an authorized capitalization of 3,000,000 no par value shares 2,270,070 shares were outstanding and an additional 300,000 shares under option.

Mosher Long Lac

Please tell me enough about Mosher Long Lac Mines to enable me to decide whether it is a good investment or not.

Mosher Long Lac property consists of 21 claims in the Little Long Lac area, adjoining the Little Long Lac Gold Mines property to the south. The company is a well-directed one, having as vice-president W. H. Connell and as secretary-treasurer Allan Cockeram. Surface work has been carried out in preparation for a diamond drilling programme and has shown three or four interesting showings on the property, one of which has been traced for 700 ft. At the present time the company is testing out, by means of diamond drilling, the showings found by surface work. The company has an authorized capitalization of 3,000,000 shares of no par value of which about 2,000,000 are outstanding. The outstanding shares include 1,000,000 shares issued to the vendors of the property, Canadian Prospecting Syndicate and Empire Prospecting Syndicate and 1,000,000 shares sold for cash to net the treasury about 20 cents per share.

The Western Savings
& Loan Association
Winnipeg, Manitoba

Agencies:
Butler Byers Bros. Limited
Saskatoon, Sask.
McCallum, Hill & Co.
Regina, Sask.
Equitable Agencies Ltd.
Calgary, Alta.

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Province of Saskatchewan
4% DEBENTURES
Due September 1, 1954
PRICE: 85.19 and interest,
to yield 5.20%

These debentures will be direct obligations of the Province of Saskatchewan, and will be free from all Provincial Taxes and Succession Duties in that Province.

For further information,
please telephone WAverley 3681

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ARCHIBALD McPHERSON, *President* T. H. MAIN, *Manager*

NEW ISSUE

$5,000,000
Province of Saskatchewan
4% Debentures

Dated September 1, 1934. Due September 1, 1954.

Principal and half-yearly interest (March 1 and September 1) payable in lawful money of Canada at The Royal Bank of Canada in the Cities of Toronto, Montreal, St. John, Winnipeg, Regina or Vancouver. Coupon debentures in the denominations of $1,000 and $500 with provision for registration as to principal. The Province will have the option of redeeming the debentures in whole or in part at par and accrued interest on September 1, 1949, or on any interest date thereafter by giving thirty days' notice.

Legal Opinion: Messrs. Long & Daly.

These debentures will be direct obligations of the Province of Saskatchewan, and will be payable, principal and interest, out of the Consolidated Fund of the Province. Under existing legislation they will be exempt from Municipal and School Taxation in the Province of Saskatchewan, and will be free from all Provincial Taxes and Succession Duties imposed by the Province. The Provincial Treasurer advises that the proceeds of this issue will be used in part for the redemption of Treasury Bills and in part for the Agricultural Re-establishment Programme of the Government.

The Order-in-Council authorizing this issue will provide for a Sinking Fund of one per cent. per annum.

Information regarding the financial position of the Province will be found in the official circular which is available on request.

We offer these Debentures if, as and when issued and accepted by us, subject to the approval of Counsel. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about September 25, 1934.

PRICE: 85.19 and accrued interest, to yield 5.20%.

The Royal Bank of Canada
The Dominion Securities Corporation Limited
McLeod, Young, Weir & Co. Ltd.
The Bank of Nova Scotia
The Bank of Toronto
Harrison & Company Limited
Midland Securities Corporation Limited
Flemming, Denton & Company
Griffis, Fairclough & Norsworthy Limited
J. L. Graham & Company

A. E. Ames & Co., Limited
Bell Gouinlock and Co. Ltd.
Nesbitt, Thomson & Company Ltd.
R. A. Daly & Company Limited
Hanson Bros., Inc.
Matthews & Company
Jas. Richardson & Sons
Gairdner & Co. Ltd.
Harris, Ramsey & Company

The Canadian Bank of Commerce
Wood, Gundy & Company Limited
Fry, Mills Spence & Co. Ltd.
Imperial Bank of Canada
The Dominion Bank
Cochran Murray & Co., Limited
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Chartered Accountants

Newsprint Production Steps Ahead of Advertising

Canadian Mills Record Larger Production in August — Eight Months Total Higher — Advertising in U. S. Registers Small Gain

From Our Own Correspondent

MONTREAL.—Moderate increase in advertising linage in the United States last month, amounting to 1.6 per cent as compared with the same month a year ago, does not fully reflect the gain in newsprint production.

According to the News Print Service Bureau, Canadian mills manufactured 216,164 tons of newsprint last month. This represents a gain of about 8,000 tons over the previous month and nearly 22,000 tons more than in August, 1933.

United States' production during August, 1934, was 80,903 tons, against 84,521 tons a year ago, a decline of 4.2 per cent.

For the two countries production during the month was 297,067 tons compared with 278,783 tons in August last year, an increase of 6½ per cent.

Good Gain To Date

Production in the two countries for the first eight months of the year was 2,340,607 tons. This compared with 1,889,641 tons in the like period last year, an increase of 450,966 tons or 23.8 per cent. This output exceeded the eight months production in 1932 and 1931, but fell below the average of the eight months totals for the five years 1926 to 1930 inclusive.

For the eight months Canadian mills turned out 1,685,035 tons, as compared with 1,269,136 tons in the corresponding period of 1933, an increase of 415,899 tons or 32.7 per cent.

Despite the fact that August was the third successive month in which United States mills produced less newsprint than in the previous year, eight months' output continued ahead of 1933, totalling 655,572 tons, as against 620,505 tons last year, a gain of 35,067 tons or 5.6 per cent.

Advertising Gain Smaller

According to Media Records Inc., advertising in 52 metropolitan cities of the United States amounted to 87,692,250 lines in August this year, as against 86,338,635 lines in the same month a year ago.

Display advertising advanced from 68,180,831 in August, 1933, to 69,902,115 lines last month, while classified advertising dropped from 18,157,804 to 17,790,135 lines in the same period.

In analyzing the advertising linage returns for August last year and August this year, Media Records' tabulation shows that retail and department store advertising was greater this year, but general, automotive and financial advertising was somewhat less.

SASK. GOVERNMENT TO RE-DRAFT CODE IN COAL INDUSTRY

Opposition to Former Government's Regulations Behind Move

From Our Own Correspondent

REGINA—Coal mining regulations passed by order-in-council during the final days of the last government have been cancelled by the present government and a new set will be framed.

The cancelled regulations which were to become effective on Sept. 1, provided for a licensing system, code of ethics, set prices and many other measures such as are associated with business codes. Representations were made to the government by the various interests in the province and as a result the government decided to make a more thorough investigation of the entire mining industry in the province.

Saskatchewan's coal mining probm differs from that of Alberta. here is only one type of coal, ligte, but two types of mines, shaft d strip. The strip mining is done large scoop shovels which after ooping off the top-soil shovel out e coal. These mines are mainly uated at Estevan. The shaft mines, nging from farmer's "pot" holes mines that descend 90 feet, are over the southern half of the ovince. Approximately 900 men part time are employed in the ft mines. The strip mines while ploying fewer men, offer better ges and can sell their coal more aply than the other type of mine. s point is one of the causes of ension.

Strip vs. Shaft

rip mining is an infant industry he province. Shaft mines have here for years. The largest of strip mines and the only one ating on an extensive scale is Truax-Traer Co., at Estevan, h is affiliated with the Truaxr Lignite Coal Co. of Chicago. ng the shaft mines the largest any is the Great West Coal which controls the greater numf the shaft or deep seam mines ey are termed.

ore the advent of the strip minprocess in Saskatchewan the seam coal and Drumheller coal Alberta held the market. Dure last four years the strip minave built up a market with er coal, largely in the southalf of the province, where rates have enabled them to The market is now an exe one and has affected serimportations of Alberta coal as t as Winnipeg.

times have helped the strip to forge ahead and the concounting his dollars, has purthe cheapest fuel the market Very slight alterations are in fire-boxes to accommoe stripped coal.

Cut-throat Competition

string dealers who open ly during winter months and oat competition has placed p-seam miners in a position rdy. Not only in the retail ve there been difficulties. us mines have been opened the country by farmers who nd coal of various types on their property and they have ting it into town and selling rice so low, the larger comannot afford to compete. miners were selling their low rate up to about two then at the request of the ners they raised their rates o the consumer in an effort to help them. There has been talk of a further increase in the strip mine product price but it is not thought to carry much weight.

As a result of the various impediments that affected the coal miners the outgoing government, following the defeat of a bill in the legislature, passed regulations by order-in-council that went so far as to set prices for delivery in zones as far east as Winnipeg. There were many other points in the regulations that drew protest so the new government decided to rescind them. Now the mine operators are getting together to see what can be done to save their industry from becoming insolvent.

Draft Minor Code

On the retail side the Regina Fuel Dealers Association has decided to live up to a minor code of ethics. From Alberta comes news that operators there have decided to eliminate certain screenings that have been underselling others in Saskatchewan. Some semblance of order has begun to be felt in Western Canada's coal situation.

EARNINGS HIGHER FOR HUMBERSTONE NET $2.88 A SHARE

Sales to Sept. 6 Compare Favorably With Last Year

Humberstone Shoe Co. showed net earnings after depreciation of $66,073 in the year ended July 31, 1934, compared with $63,429 in the previous year.

After allowing for taxes, net profit was $57,542, or $2.88 a share compared with $57,735, or $2.89 a share, in the 1933 year. In the 1933 year, however, $2,200 of premium on bonds was taken into profit and loss. Otherwise the year just reported was more profitable to the company.

Sales Improving

"Thus far (to Sept. 6) in the new fiscal year, sales are comparing favorably with those of the previous year," states H. H. Knoll, president and general manager, in the annual report. "We believe they will continue to do so," he adds. The company's sales volume in the 1933-34 year was the best in its history.

The income account follows:

INCOME AND SURPLUS ACCOUNT
Years Ended July 31

	1934	1933
	$	$
Net earnings	66,073	63,429
Add: Prem. on Dom. of Can. C.N.R. bonds	......	2,200
Less: Inc. tax	8,531	7,894
Net profit	57,542	57,735
Less: Divds.	40,000	40,000
Surplus for year	17,542	17,735
Add: Prev. surp.	155,179	137,444
Bal. Feb. 15, 1926	49,912	......
Less: Tax adjust.	1,090	......
Bal. forward	221,543	155,179

Balance to Surplus

The 1926 balance of $49,912 added to surplus, it is understood, represents an amount that has been held in abeyance pending a ruling from the Dominion Government as to taxation. The company is reported to have received a ruling from Ottawa that the amount may be included in earned surplus without deduction for taxation, and has therefore taken it into the account.

While current liabilities were down by slightly over $20,000, current liabilities were reduced nearly $35,000 in the year. This resulted in an increase of $13,931 in working capital as shown below:

Working Capital

	1934	1933
	$	$
Current assets	524,150	544,906
Current liabilities	141,047	175,734
Working capital	383,103	369,172
Ratio	3.72—1	3.10—1

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 17

Range 1934 High Low | Divd. Rate Y'rl'd [in $ in %] Sept. 15 | Sales | Close Sept. 10 (or last) | Week Ending Sept. 17 High Low Close

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
September 18, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.50	3.00
Acadia Sugar pfd.	4.50	4.80
Allens London pfd. bonus com.	35.00	....
Allens St. Cath. pfd. bonus com.	35.00	....
Allens Toronto pfd. bonus com.	25.00	....
Andian National	35.00	37.00
Atlantic Sug. pfd.	88.75	91.50
B. C. P. & P. pfd.	8.00	11.00
Burns pfd. bon. c.	2.00	3.00
Can. Dom. Sugar	46.00	47.00
Can. Machy. com.	1.00	1.50
Can. Packers com.	32.00	34.50
Can. Packers pfd. X.D.	97.50	100.50
Can. Starch com.	10.00	....
Can. Starch pfd.	82.00	....
Can. W. & Cable pfd. WW	65.00	70.00
Can. Indust. A	159.00	....
Can. Indust. B	158.00	161.00
Can. Indust. pfd.	139.00	141.00
Can. Westinghouse	48.00	50.00
Chase, pfd. bon. c.	22.00	25.00
Dom. F. & Steel c.	8.50	9.00
Dom. F. & Steel p.	55.00	64.00
Dom. Manuf. pfd.	67.00	....
Dom. Woollens c.	1.50	2.25
Dunlop Tire pfd.	70.00	74.00
East. Dairies pfd.	9.75	11.25
Federal Grain c.	1.00	2.00
Federal Grain p.	16.50	18.75
For. Power. Sec. p.	9.00	12.00
Freiman, A. J., pf.	56.00	59.00
Gen. Stl. Wares p.	32.00	34.50
Goderich Elevator & Transit	5.25	6.25
Greening Wire pf. X.D.	69.00	73.50
Guardian Realty p.	11.50	....
Guelph Carpet p.	86.00	88.00
Guelph Carpet c.	10.00	12.00
Hayes Wheels pfd.	7.00	10.00
Highland Dairy c.	3.25	4.00
Highland Dairy p.	66.00	70.00
Inter City Bak. c.	16.00	18.00
Inter. Met. Indust. pfd.	30.00	39.00
Inter. Paints pfd.	12.00	15.00
Inter. Propriet. A	35.00	36.00
Loew's Lond. pfd.	3.50	4.25
Maclaren Pwr. c.	14.75	....
Mans. Theat. pfd.	24.00	27.00
Massey-Harris pfd.	18.25	19.50
Mt. Royal Hotel p.	2.00	2.75
Nat. Grocers com.	4.00	4.50
Nat. Grocers pfd.	....	117.00
New Meth. Laund. pfd. bonus	52.00	....
Niag. W. Weav. pf.	36.00	....
Para. Kitchener p.	37.00	....
Para. Oshawa pfd.	45.00	....
Perfection Pete. p.	14.00	18.00
Prov. Paper pfd. X.D.	79.00	81.00
Rel. Grain pfd.	65.00	....
Rob. Cons. Cone	7.25	8.25
Rolland Paper c.	8.00	10.00
Rolland Paper pfd. WW	75.00	78.00
Ruddy, E. L., pfd.	14.25	16.00
Standard Fuel pfd. bonus	94.50	....
Supersilk pfd.	51.00	57.00
Supertest Pet. B p.	23.00	24.50
Thayers com.	6.00	6.85
Thayers pfd.	....	39.50
Western Grain pfd. bonus	3.10	5.50

Insurance Stocks:	Bid	Asked
British Amer.	30.00	....
Canada Life	430.00	....
Canadian Fire	55.50	58.00
Confed. Life 20% pd.	124.00	127.00
Cont. Life 20% pd.	36.50	38.50
Crown Life	99.00%	....
Dominion Fire	94.00	....
Dom. Life 50% pd.	175.00	....
Dom. Can. Gen.	100.00	105.00
Empire Life 25% pd.	10.50	12.00
Excel. Life 30% pd.	75.00	78.00
Fed. Fire 25% pd.	36.00	....
Great West	345.00	365.00
Guar. of N. A. fully pd.	210.00	....
Guar. of N. A. 20% pd.	42.00	....
Imperial Life	285.00	....
Manufact. Life	223.00	....
Monarch Life 10% pd.	17.50	20.00
Nat. Life 25% pd.	52.00	....
Sov. Life 25% pd.	10.00	16.00
Sun Life	295.00	315.00
West. Assur. com.	29.00	33.00
West. Assur. pfd.	30.00	....
West. Empire Life	....	15.00
West. Life 20% pd.	8.00	12.00

Trust & Loan Stocks:	Bid	Asked
Brit. Mtge. & Tr.	130.00	139.00
Chartered Trust	66.00	70.00
Lond. & West. Tr.	35.00	40.00
Premier Trust	85.00	91.00
Sec. Loan & Sav.	98.00	....
Sterling Trust	....	45.00
Traders Fin. B pfd.	50.00	55.00
Trusts & Guar.	38.00	41.50
Vic. Tr. & Sav.	115.00	127.00
Waterloo Tr. & Sa.	78.00	85.00

Investment Trust Shares:	Bid	Asked
Can. Gen. Invest.	5.10	5.25
Can. Investors	4.00	5.25
Can. Int. Inv. Tr. Units	19.25	....
Can. Invest. Fund	3.10	3.30
Cons. Div. Standard Sec. Units	10.00	11.75
Debent. & Sec. p.	20.00	....
Dom. & Anglo Inv. Units	170.00	....
Dom. Scottish Inv. Units	22.50	25.50
Invest. Foundation Units	34.00	36.00
Sec. Holding Units	10.00	12.00
United Corpns. A	9.50	11.00
United Corpns. B	2.50	3.50

Power Issues:	Bid	Asked
Calgary Power pf.	88.00	90.00
Can. L. & P. com.	20.00	....
Can. W. Nat. Gas L.H.&P. pfd.	92.00	93.00
Great Lakes P. pf.	39.00	....
Marit. T. & Tl. pfd.	12.00	13.75
N. B. Tele. com.	9.00	10.75
N. S. L. & P. com.	41.00	46.00
N. S. L. & P. pfd.	85.00	89.00

Recent London Quotations:	
Brit. Col. Tele. pfd.	$105
Brew. & Distillers	3s.
Can. & For. Secs.	4s. 6d.
Can. Collier A inc. stk.	38
Do., B	7½
Can. N. W. Land	£1½
Can. West. Lumber	15s. 9d.
Hudson's Bay	25s.
Do., pref.	102s. 6d
Internat'l Holdings	$1½
Nfld. Pr. & Pap. deb. stk. B 5½%	103
Trust & Loan (15s. pd.)	3d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew-Surpass, pref.	7%	1¾%	Oct. 1	Sept. 15
Associated Breweries, com.	...	25c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Building Products A & B	$1	25c	Oct. 1	Sept. 18
Burt, F. N.	$2	50c	Oct. 1	Sept. 17
Do. pref.	$7	$1.75	Oct. 1	Sept. 17
Brantford Cordage, pref.	8%	2%	Oct. 15	Sept. 20
Bralorne Mines	60c	15c	Oct. 15	Sept. 29
British American Oil (15)	80c	20c	Oct. 1	Sept. 15
Bruck Silk Mills	$1	25c	Oct. 15	Sept. 15
Bell Telephone	$6	$1.50	Oct. 15	Sept. 22
Brazilian Traction, pfd.	$6	$1.50	Oct. 1	Sept. 15
B. C. Power, A	$1.50	38c	Oct. 15	Sept. 30
Bank of Nova Scotia	12%	3%	Oct. 1	Sept. 15
Can. Perm. Mortgage	$8	$2	Oct. 1	Sept. 15
Canadian Cottons, com.	$4	$1	Oct. 1	Sept. 15
Do., pref.	$6	$1.50	Oct. 1	Sept. 15
Can. General Electric	$3	75c	Oct. 1	Sept. 15
Do., pref.	$3.60	87½c	Oct. 1	Sept. 15
Can. Foreign Investment	$1	25c	Oct. 1	Sept. 20
Do., pref.	8%	2%	Oct. 1	Sept. 20
Canada Northern Power, com.	$1	25c	Oct. 25	Sept. 29
Do., pref.	7%	1¾%	Oct. 15	Sept. 29
Can. Wire. Box., A (on arrears)	..	25c	Oct. 1	Sept. 15
Calgary Power, com.	$6	$1.50	Oct. 1	Sept. 15
Central Canada Loan	$8	$2	Oct. 1	Sept. 21
Canadian Canners, 1st pref	$8	$1.50	Oct. 1	Sept. 15
Do., 2nd pref	30c	7½c	Oct. 1	Sept. 15
Canadian Celanese, pref.	$7	$1.75	Sept. 30	Sept. 14
Do., on arrears	...	75c	Sept. 30	Sept. 14
Consumers' Gas	10%	2½%	Oct. 1	Sept. 15
Confederation Life	$4	$1	Sept. 30	Sept. 25
Crown Trust	$7	$1.75	Oct. 1	Sept. 30
Canada Life	$20	$5	Oct. 1	Sept. 30
Canada Packers, pfd.	$7	$1.75	Oct. 1	Sept. 15
Crow's Nest Pass Coal	..	$2	Oct. 5	Sept. 20
Dome Mines	$2	50c	Oct. 20	Sept. 29
Dominion Glass	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 1	Sept. 15
Dominion Rubber, pref.	$7	$1.75	Sept. 29	Sept. 20
Dominion Stores	$1.20	30c	Oct. 1	Sept. 15
Dominion Textile	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 15	Sept. 29
Dominion Bank	$10	$2.50	Oct. 1	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Economic Invest. Trust	...	‡18¾c	Oct. 1	Sept. 20
Eastern Steel Products, pfd.	$7	$1.75	Oct. 1	Sept. 15
Edmonton C. Dairy, pfd.	6½%	1¾%	Oct. 1	Sept. 15
Freiman, A. J., pref.	6%	1½%	Oct. 1	Sept. 15
Falconbridge Nickel	..	10c	Sept. 27	Sept. 12
Greening Wire, pref.	7%	1¾%	Oct. 1	Sept. 15
Fanny Farmer	$1	25c	Oct. 1	Sept. 15
Do., pref.	$2.40	60c	Oct. 1	Sept. 15
Gachin Gold Synd, units	60c	15c	Sept. 30	Sept. 15
Do., extra	..	10c	Sept. 30	Sept. 15
Goodyear Tire	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 1	Sept. 15
Great West Life	$20	$5	Oct. 1	Sept. 20
Gurd, Chas., pref.	$7	$1.75	Oct. 2	Sept. 15
Hamilton United Theat., pref.	$7	$1.75	Sept. 29	Aug. 21
Huron & Erie Mtge. (No. 188)	6%	1½%	Oct. 1	Sept. 15
Hollinger Gold	65c	5c	Oct. 8	Sept. 21
Do., extra	..	10c	Oct. 8	Sept. 21
Howe Sound	$3	75c	Sept. 29	Sept. 21
Hunts, A & B	50c	12½c	Oct. 1	Sept. 18
Imperial Life	$15	$3.75	Oct. 1	Oct. 1
Imperial Tobacco, ord.	7%	1¾%	Sept. 29	Sept. 14
Do., pref.	6%	3%	Sept. 29	Sept. 14
International Nickel, com.	...	15c	Sept. 29	Aug. 30
International Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Investment Foundation, pref.	$1.50	37c	Oct. 15	Sept. 29
Do., on arrears	...	13c	Oct. 15	Sept. 29
Jamaica Public Service, com.	$1	25c	Oct. 1	Sept. 14
Do., pref.	$7	$1.75	Oct. 1	Sept. 14
Do., pref.	7%	1¾%	Oct. 1	Sept. 14
Landed Banking & Loan	4%	1%	Oct. 1	Sept. 15
McColl-Frontenac, pref.	$6	$1.50	Oct. 15	Sept. 29
Montreal L. Heat & Pr. Cons.	$1.50	37c	Oct. 31	Sept. 30
Montreal C. & D. Bank	$12	$3	Oct. 1	Sept. 15
Mitchell, J. S., pref.	$7	$1.75	Oct. 1	Sept. 15
Monarch Knitting, pref.	...	*$1	Oct. 1	Sept. 15
National Trust	$8	$2	Oct. 1	Sept. 20
National Grocers, pref.	7%	1¾%	Oct. 1	Sept. 20
National Breweries	$1.60	40c	Oct. 1	Sept. 15
Do., pref.	$1.75	44c	Oct. 1	Sept. 15
Niagara Wire Weaving, pref.	$3	75c	Oct. 1	Sept. 15
Northern Ont. Power	$2	50c	Oct. 25	Sept. 29
Do., pref	$6	$1.50	Oct. 25	Sept. 29
National Life	$2.50	62½c	Oct. 1	Sept. 10
New England Power, pfd.	$6	$1.50	Oct. 1	Sept. 15
Do., pref.	$2	50c	Oct. 1	Sept. 15
Okalta Oils, pref.	▲...	$15	Sept. 24	Sept. 19
Ottawa L. H. & Pr.	6%	1½%	Oct. 1	Sept. 15
Do., pref.	6½%	1¾%	Oct. 1	Sept. 15
Ontario Loan & Debenture	12%	3%	Oct. 1	Sept. 15
Ottawa Traction	...	50c	Oct. 1	Sept. 15
Ogilvie Flour, com	$8	$2	Oct. 1	Sept. 21
Page-Hersey Tubes	$3	75c	Oct. 1	Sept. 20
Do., pref	$7	$1.75	Oct. 1	Sept. 20
Porto Rico Power, pref.	$7	$1.75	Oct. 1	Sept. 15
Pioneer Gold of B. C.	80c	20c	Oct. 1	Sept. 1
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 29
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 29
Premier Gold Mines	12c	3c	Oct. 15	Sept. 14
Provincial Paper, pfd.	$7	$1.75	Oct. 1	Sept. 15
Riverside Silk, A	$1	25c	Oct. 1	Sept. 15
Do., on arrears	...	25c	Oct. 1	Sept. 15
South Amer. Gold & Plat.	...	10c	Sept. 25	Sept. 15
Sylvanite Gold	20%	5%	Sept. 30	Sept. 1
Siscoe Gold Mines	12c	3c	Sept. 29	Sept. 15
Do., bonus	...	2c	Sept. 29	Sept. 15
Southern Can. Power, pref.	$6	$1.50	Oct. 15	Sept. 20
Standard Fuel, pref.	6½%	1½%	Oct. 1	Sept. 15
Supertest Petrol, ord. & com.	$1	25c	Oct. 1	Sept. 14
Do., pref., A	$7	$1.75	Oct. 1	Sept. 14
Do., pref., B	$1.50	37½c	Oct. 1	Sept. 14
Teck Hughes	...	10c	Nov. 1	Oct. 10
Tip Top Tailors, pref.	$7	$1.75	Oct. 1	Sept. 15
Toronto Gen. Trusts	6%	1½%	Oct. 1	Sept. 22
Tuckett Tobacco, pref.	7%	1¾%	Sept. 15	Sept. 29
Toronto Mortgage	$6	$1.50	Oct. 1	Sept. 15
Thrift Stores	40c	10c	Oct. 1	Sept. 15
Do., 1st pref.	$1.62½	40½c	Oct. 1	Sept. 15
Do., 2nd pref.	70c	17½c	Oct. 1	Sept. 15
United Gold Equities	10c	2½c	Oct. 25	Oct. 15
Weston, Geo., c.	$1	25c	Oct. 1	Sept. 20
Wright-Hargreaves Mines	40c	10c	Oct. 1	Sept. 10
Do., extra	...	5c	Oct. 1	Sept. 10
Whittall Can., pref.	$6.50	†$1.62½	Oct. 1	Sept. 15
Western Grocers, pref.	7%	1¾%	Oct. 15	Sept. 20

Dividend Rate Reduced—
Landed Banking & Loan, Oct. 1, 6% to 4% per annum.
Dividends Passed or Deferred—
International Hydro-Electric, $3.50 pref., deferred Oct. 15. Last paid 87½c. July 16, 1934.
New England Power, com. passed Oct. 15. Last paid 25c. July 16, 1934.
Dividend Rate Increased—
Pioneer Gold of B.C., 60c to 80c per annum, Oct. 1.
▲ Capital distribution.
* On arrears.
† For quarter ended Dec. 31, 1932.
‡ Interim. Last payment 31¼c, Apr. 2, 1934.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
September 18, 1934

Public Utility Issues:	Int. Rate	Due	Bid Sept. 18	Asked	Bid Sept. 11
Beauharnois L. H. & Power	5½%	1973	100	101½	100½
Beauharnois Power Corp.	6%	1959	66	...	66
Beauharnois Power Corp.	5%	1973	53	55	54
Bell Telephone	5%	1955	106½	107½	106½
Bell Telephone	5%	1957	108	109	107½
B. C. Power	5%	1960	99	100½	99½
B. C. Power	5½%	1960	103½	104½	103½
B. C. Telephone	5%	1960	102½	104	103
Calgary Power	5%	1960	95½	98	96
Canada Northern Power	5%	1953	95½	98	96
Cedars Rapids Mfg. & Power	5%	1953	109	110½	109½
Dominion Gas & Electric	6½%	1945	57½	59½	60
Duke-Price Power	6%	1966	90½	93	92
Gatineau Power	5%	1956	92	94	82
Gatineau Power	6%A	1941	88	90	88
Gatineau Power	6%B	1941	87	89	87
International Hydro-Electric	6%	1944	42	44½	49
Jamaica Public Service	5%	1950	99	101	90
Maclaren-Quebec Power	5½%	1961	99½	101	100
Manitoba Power	5½%	1951	61½	63½	61
Montreal Island Power	5½%	1957	102	104	102
Montreal L. H. & Power	5%	1951	106½	108	106½
Montreal L. H. & Power	5%	1970	106½	108	106½
Montreal Public Service	5%	1942	104½	...	105
Montreal Tramways	5%	1955	73	76	76
Montreal Tramways	4½%	1955	68½	70½	70½
Montreal Tramways	5%	1941	98½	100½	100
National Light & Power	6%	1949	83½	...	84
N. B. Power	5%	1937	70	72	70
Northwestern Utilities	7%	1938	99	102	99
N. S. Light & Power	5%	1958	97½	100	97½
Ottawa Light, Heat & Power	5%	1957	103	104½	103
Ottawa Valley Power	5½%	1970	104	105½	105
Power Corp.	4½%	1959	76	78½	76
Provincial Light & Power	5%	1946	104½	...	105
Quebec Power	5%	1968	99½	101½	99
Rio de Janeiro T. L. & Power	5%	1935	100½	102½	101½
Shawinigan Water & Power	6%	1937	101	102½	101½
Shawinigan Water & Power	4½%	1970	92	94	92
Shawinigan Water & Power	5%	1970	99½	101	99
Southern Canada Power	5%	1955	103	104½	103
United Securities	5½%	1952	77½	80	78½
West Kootenay Power	5%	1956	104½	106	104½
Western Power Co.	5%	1949	102½	...	102½
Winnipeg Electric	5%	1935	94½	96½	93
Winnipeg Electric	6%	1954	53	55	48
Industrial and Realty Issues:					
Abitibi Pulp & Paper	5%	1953	26	28	27
Abitibi Pulp & Paper C.O.D.'s	5%	1953	20½	22½	21½
Acadia Sugar	6%	1946	102½	104½	102
Alberta Pacific Grain	6%	1946	78½	80½	77
Algoma Steel	5%	1962	14	16	15
American Sales Book	6%	1939	101½	...	101
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	95	...	94½
Balfour Building	6%	1934	40½	...	40
Belding-Corticelli	5%	1936	103½	...	103½
Bloor-St. George Realty	7%	1946	40	...	40
Booth Buildings	6½%	1937	98	...	98
Brandram-Henderson	6%	1936	92	...	92
British American Oil	5%	1945	103½	105	103½
British Columbia Pulp & Paper	6%	1950	66	68	66
Brown Co.	5½%	1946	41½	44	41
Burns & Co.	5½%	1948	26	28	29
Canada Biscuit	6½%	1946	18½	20½	20
Canada Bread	6%	1941	96½	...	96
Canada Cement	5½%	1947	94½	96½	94½
Canada Paper	6%	1945	90	...	89
Canada Steamship	5%	1943	91½	94	92
Canada Steamship	6%	1941	26	28	26½
Canadian Canners	6%	1950	103½	105½	104
Canadian Consolidated Felt	6%	1940	90	...	90
Canadian Copper Refiners	6%	1945	106½	106½	106½
Canadian Cottons	5%	1940	101	...	100½
Canadian Goodrich	7%	1943	47	...	47
Canadian International Paper	6%	1949	60	63	62½
C. P. R.	6%	1942	105	106½	105
C. P. R.	4½%	1944	90	91½	90½
C. P. R.	5%	1954	94	96	95
C. P. R.	4%	1949	88½	90½	90½
Canadian Rail & H. Terminals	6½%	1951	19	21½	19
Canadian Vickers	6%	1947	52½	54½	53½
Consolidated Investment	4½%	1959	70	...	70
Consolidated Paper	5½%	1961	15	17	15½
Cosmos Imperial Mills	6½%	1944	101½	...	101½
Debenture & Security	4%	1936	75½	...	75½
Dominion Canners	6%	1940	106½	...	106½
Dominion Square Corp.	6%	1948	50	52½	50
Dominion Tar	6%	1949	86	88	85½
Dominion Textile	6%	1949	108½	...	108½
Dominion Woollens & Worsteds (with stock)	6%	1948	46	48½	46
Eastern Dairies	6%	1949	66	69	...
Eaton T. Realty	5%	1949	89½	101	99½
Famous Players	6%	1948	91	93	91
Famous Players	6½%	1948	75	77	73½
Federal Grain	6%	1949	83	...	82
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	39½	42	40
French National Mail S.S.	6%	1952	162	...	162
Galt Brass	7½%	1941	36½	...	36½
General Brock Hotel	6%	1948	31	34	30
General Steel Wares	6%	1952	81½	83½	82½
Godfrey Realty	6%	1942	39	42	38½
Great Lakes Paper	6%	1950	29	31	30½
Gypsum Lime & Alabastine	5½%	1948	76½	79	74
Hamilton Cottons	5½%	1948	91	...	91
Hamilton By-Products Coke	7%	1943	99	101	98
Hinde & Dauch	5½%	1948	91	...	91
International P. & P. Nfld.	5%	1968	83½	86	94
Inter City Baking	5½%	1948	84½	...	84
Lake St. John Power & Paper	6½%	1947	50½	53½	53
Lake St. John Power & Paper	6½%	1942	...	23	...
London & Can. Invest.	4½%	1948	75	...	68½
London Realty	6%	1950	79	82	80
Lord Nelson Hotel	4%	1947	...	55	...
Maple Leaf Milling	5½%	1949	35½	38½	34
Massey-Harris	5%	1947	70	72	70
McColl Frontenac	6%	1949	103	104½	103½
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	66	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	14	16	14½
Montreal Coke	5½%	1957	101½	103½	102
Montreal Cottons	5%	1947	95	...	95
Montreal Dry Docks	6%	1948	46	...	42½
Northern Electric	5%	1939	104	...	104½
Nothern Ontario Building	6½%	1939	96½	...	96½
Ontario Building	6½%	1943	37	...	37
Pacific Burt	6½%	1937	100	...	100
Penmans	5½%	1951	106½	...	106½
Price Bros. (Co'D.)	6%	1943	85	87½	85
Provincial Paper	5½%	1947	96½	...	96
Queen's Hotel	6%	1947	69	72	69
Reliance Grain	6%	1948	86½	...	86½
Restigouche Co.	5½%	1948	72	74½	73
Richmond Bay Building	6½%	1947	87½	...	87
Riordon Pulp & Paper	6%	1942	103	...	103
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	97	100	96
Ruddy Co., E. L.	6½%	1948	68	...	70
St. Lawrence Flour	6%	1941	101	...	101
Shawinigan Cotton	6%	1949	88	...	88
Simpsons Ltd.	6%	1949	98	100	98½
Smith, Howard	5½%	1953	96	98	96
Steel Co. of Canada	6%	1940	108½	...	108
Stop & Shop	6%	1947	87	89½	86½
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	88	91	87
United Corpns.	5%	1953	75	77	73½
United Gas & Fuel	5½%	1948	87	89½	88½
United Grain Growers	5%	1948	83½	...	83
Wabasso Cotton	6%	1947	97	...	97
Wabasso Cotton	7%	1942	99½	...	99½
Windsor Hotel	6½%	1943	...	71	...
Woods Mfg.	6%	1943	86	...	86

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
September 19, 1934

Dominion of Canada Bonds

			Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	106.87	107.12	2.06
†Dominion	5½	1 Dec., 1937	110.00	110.25	2.33
Dominion	5½	1 Nov., 1934	100.30	100.45	1.65
Dominion	3½	15 Oct., 1935	101.25	101.55	2.05
Dominion	4	15 Oct., 1935	101.50	102.00	2.10
Dominion	5	15 Nov., 1936	104.90	105.20	2.30
Dominion	4	15 Oct., 1939	104.75	105.10	2.90
Dominion	4½	1 Sept., 1940	107.75	108.12	3.00
Dominion	5	15 Nov., 1941	110.85	111.25	3.24
Dominion	5	15 Oct., 1943	111.87	112.15	3.43
Dominion	4½	15 Oct., 1944	108.00	108.25	3.52
‡Dominion	4	15 Oct., 1943-45	103.75	104.00	3.47
Dominion	4½	1 Feb., 1946	107.85	108.10	3.63
‡Dominion	4	15 Oct., 1947-52	103.25	103.75	3.66
‡Dominion	4½	1 Nov., 1946-56	106.75	107.10	3.78
‡Dominion	4½	1 Nov., 1947-57	106.85	107.20	3.81
‡Dominion	4½	1 Nov., 1948-58	107.25	107.50	3.81
‡Dominion	4½	1 Nov., 1949-59 (with talons)	107.35	107.60	3.85

Dominion Guaranteed Bonds

			Bid	Asked	Approx. Yield
xCan. Nat. Ry.	4½	1 Sept., 1951	108.50	109.00	3.78
*Can. Nat. Ry.	4½	1 July, 1957	107.75	108.12	3.96
Can. Nat. Ry.	5	1 Feb., 1954	113.00	113.50	4.00
xCan. Nat. Ry.	4½	15 June, 1955	111.75	112.50	3.87
xCan. Nat. Ry.	4½	1 Feb., 1956	109.00	109.50	3.85
xCan. Nat. Ry.	4½	1 Dec., 1968	103.75	104.25	4.27
‡xCan. Nat. Ry.	5	1 Oct., 1969	114.00	114.50	3.97
‡xMontreal Harbor Cm.	5	1 Nov., 1969	114.50	115.50	3.92

Provincial Government Bonds

			Bid	Asked	Approx. Yield
*Alberta	4½	1 Oct., 1956	93.00	95.00	4.87
Alberta	6	1 Mar., 1947	104.00	106.00	5.33
*British Col.	4½	1 Oct., 1953	92.00	94.00	4.99
British Col.	5½	1 Feb., 1945	98.50	100.50	5.43
British Col.	6	15 Feb., 1947	99.00	101.00	5.89
xManitoba	5	2 Dec., 1959	99.50	101.50	4.90
Manitoba	5½	1 Oct., 1955	101.00	103.00	5.26
Manitoba	6	1 Apr., 1947	104.00	106.00	5.35
*N. B.	4½	15 Apr., 1960	106.00	107.00	4.30
N. B.	5	2 July, 1963	111.50	112.50	4.23
N. B.	5½	15 May, 1950	112.00	113.00	4.36
N. Scotia	4½	15 May, 1943	104.00	105.00	3.82
*N. Scotia	5	1 Mar., 1960	111.75	112.50	4.19
xOntario	4	1 June, 1962	102.50	103.25	3.82
xOntario	4½	1 Sept., 1944	107.25	108.25	3.51
Ontario	4½	1 June, 1950	106.50	107.00	3.91
xOntario	5	2 Dec., 1960	116.00	116.50	4.00
Ontario	5½	1 July, 1946	114.50	115.00	3.92
‡Ont. H. C.	3½-4-5	1 Oct., 1952	98.75	99.25	3.86
xOnt. H. C.	4	1 Aug., 1957	102.00	103.00	3.81
Ont. H. C.	4½	1 Jan., 1970	111.50	112.25	4.09
Quebec	4½	1 Aug., 1958	105.00	105.75	3.87
Sask.	5	1 Aug., 1958	93.00	95.00	5.37
*Sask.	5	1 Nov., 1959	93.00	95.00	5.36
Sask.	5½	1 Oct., 1952	97.50	99.50	5.54
Sask.	6	15 Mar., 1952	100.50	102.25	5.77

Municipal Bonds

			Bid	Asked	Approx. Yield
*Calgary	5½	2 June, 1944	90	95	6.18
*Edmonton	5½	1 Nov., 1945	90	94	6.24
*Halifax	5	1 July, 1961	109	110½	4.34
Hamilton	5	1 May, 1950	108	109½	4.18
Montreal	5	1 Mar., 1945	101	102½	4.70
Ottawa	4½	1 July, 1945	103½	105	3.93
*Quebec	5	1 June, 1959	103	104½	4.69
Regina	5	1 July, 1944	83	88	6.66
St. John	5	15 Dec., 1950	106	108	4.32
*Toronto	4½	1 Jan., 1953	105½	108	3.93
Victoria	5	21 July, 1945	92	96	5.49
Winnipeg	5	1 Mar., 1944	95½	98½	5.20

†Tax exempt issues. *Payable in Canada and New York.
‡Yield at call price. xPayable in Canada, New York and London.

SAY FEDERAL AID IN TOWN PLANNING NEEDED IN CANADA

Toronto Survey Reveals Extent of Housing Problem

MANY SLUM AREAS

Committee Reports Probability of Housing Shortage When Conditions Improve in Dominion

That Dominion, provincial and municipal aid, both financial and administrative, should be freely given to help correct the present poor housing conditions throughout Canada is the main preliminary conclusion of a committee, headed by Dr. Herbert A. Bruce, Lieutenant-Governor of Ontario, which recently completed a survey of housing conditions in Toronto, revealed at the recent Trades and Labor Congress annual meeting. The limited survey of the committee disclosed 1,500 houses deemed unhealthy and the fact that when present over-crowding is eliminated by increased employment among heads of families there will be a shortage of about 25,000 houses in Toronto alone.

Major reasons for the existence of this housing problem, without the fact that many workers are unable to afford the rents asked for modern, healthy dwellings, were stated to be: 1. Lack of authority in present city housing laws giving the city sufficient power to demolish houses obviously unfit for habitation; 2. Present wasteful methods of building on the one-house one-lot plan and high cost of land and taxes, particularly in the down-town area where the major problem exists; 3. Lack of any definite town-planning committee; and 4. Present high cost of construction and heavy financing expense.

Town Planning Need

Town planning on a scientific basis is seen as an immediate need and to this end the committee recommends that, for a city the size of Toronto, a permanent town-planning commission should be appointed. The commission's duties would be to plan schemes of development for the city but it would have no powers to spend money, this, of necessity, being vested with the city council.

A provincial town-planning bureau is suggested to approve housing schemes for grants-in-aid through relief funds or other funds to assist local communities in preparing housing schemes, to nominate directors to housing corporations to which the province has subscribed money, and to generally give assistance and leadership to municipalities in their planning activities.

Housing Policy Outlined

Specifically, the preliminary report made the following recommendations regarding new housing policy:

1. New housing schemes should be undertaken by municipal public housing authorities.

2. Financial assistance should be provided by the Dominion the Provinces and the municipalities concerned, either by direct payment or by guarantee.

3. There should be careful survey and planning work done by town-planning commissions to determine the proper sites for low-cost housing schemes. Any housing schemes undertaken should be worked out as part of a long-term scheme of community development for a larger area. All housing schemes should be based upon modern methods of effective land untilization to provide maximum access for inhabitants to light, air, open spaces and community amenities.

4. The management of housing schemes should be vested in capable persons who follow methods of dealing with tenants such as those initiated by Octavia Hill, in England, and pursued with success in many European schemes. Management of this kind will go far to prevent people from making slums out of their new quarters.

5. Legislation should be enacted to enable municipalities to acquire properties in an area for re-housing at reasonable prices and without undue delay.

6. Safeguards should be established to ensure that only low wage-earners be given accommodation in housing subsidized by public funds.

Further Report Expected

Although many recommendations are contained in Hon. Dr. Bruce's address, The Financial Post understands that many other conclusions will be contained in the final report of the committee, which it is expected will be published about the middle of October. Reports from municipalities in Great Britain and on the Continent on housing projects have been received and recommendations will be made in the light of their experience.

Search Unsuccessfully For Maple Leaf President

Search for a new president for Maple Leaf Milling Co. has so far been unsuccessful, The Financial Post is informed. It is understood that three men have been approached regarding the position but that all have declined to place their names before shareholders for approval.

The recent reorganization of the company placed control with creditors who hold the three management shares. Consequently it has been expected that some changes will be made in officers and directors. At the meeting of preferred shareholders called for consideration of the reorganization scheme, it was requested that directors who were on the board in 1929 when former officers created heavy losses for the company be omitted from the new board.

Landed Banking Cuts Dividend to $4

A quarterly dividend of $1 a share has been declared by Landed Banking & Loan Co., payable Oct. 1. This reduces the annual rate from $6 to $4 a share, the lowest in more than 40 years. Earnings amounted to $6.54 a share in 1933, compared with $7.88 in 1932.

Total annual payment per share was $10 from 1926 to 1930 inclusive. In 1931 and 1932 the company paid $8 a share, and in 1933 paid $6 a share. The company was incorporated in 1876. In the last four years it has been writing down the value of securities and mortgages by substantial amounts.

Thinks Strike Problem Demands N.R.A. Action

Need Clarification of Principles by Which Labor Disputes Are to be Settled — Roosevelt Should Act

By CLARENCE W. FACKLER, Ph.D.,
New York University

The extent of the recent strikes in the textile industry in the United States and the failure of the administration to settle the controversies with dispatch, have served to excite the American public again to the possibility of widespread confusion should industrial warfare of this sort get entirely out of hand. Further evidence is given, also, of the fact that the intervention of President Roosevelt in the automobile controversy in the spring did much to promote the confusion growing out of the interpretation of the industrial relations principles of the National Industrial Recovery Act. Many people hope that he will intervene quickly now, and refrain from adding to the confusion.

It is, of course, true that both in the matter of number of workers involved, and in man hours lost, strikes in the United States since 1930 have not reached the heights of an equal number of years immediately following the close of the World War. The table below, which is based upon the annual reports of the Department of Labor Statistics, shows this fact very clearly.

	No. of workers involved in strikes (yearly avge.)	Man days lost by strikes (yearly avge.)
1919-22	2,066,300	53,000,000
1930-33	363,750	7,258,000

Unemployment Problem

Obviously, the essential problem still unsolved in the United States is unemployment rather than industrial disputes. However, the fact remains that in intensity, the labor situation is growing more and more acute each week, and if allowed to continue at its present pace, the numbers of workers involved and the social loss may, perchance, reach the staggering figures of the immediate post-war days.

At the moment the situation calls for the settlement of disconcerting labor issues, principally in the key industries. While the causes for industrial difficulties are varied and obscure in most cases, it may truthfully be said that the underlying ones are not wholly or solely economic in character. Outwardly, they seem to be more the result of poor leadership on the part of industrial management and on the part of the leaders of the laboring groups. Oftentimes, disturbances are caused by rivalry between various working groups within given industries, but this has been more the exception than the rule.

Wages in Background

Heretofore, strikes and lockouts have arisen mainly over questions of wages and hours of work. Questions of union recognition, closed shop, discriminations, and unfair discharges have played only a minor rôle in industrial disputes, and so have been decidedly in the background. Recently, however, wages and hours of employment have been negligible causes, while disputes arising over questions of recognition of unions and rights to bargain collectively, interference with union activities, and discriminations have been of paramount importance.

It is, of course, hazardous to ascribe any one reason for the difficulty, but the chief trouble at any rate has been that the paragraphs of Section 7A of the National Industrial Recovery Act lack clarity. One provides for minimum wages and maximum hours, a section, which protects for the most part only the lowest grade of unskilled labor. But the other part provides for the right of employees to organize and to bargain collectively, having representatives of their own choosing, and free from either restraint or coercion of employers. In the interpretation of this section there have arisen many questions of what constitutes unfair methods, coercion, and choice. In order to produce some official interpretation of these parts of Section 7A, there needs must be some governmental adjustment groups, with power to act and with prestige enough to command a respect for their decisions. Practically speaking, here is where the difficulty lies.

State Action Hopeless

But individual state action cannot be relied upon for the solution. Only about two thirds of the states have provided for agencies for the settlement of industrial disputes, and then the governing rules contain no statement of recognized principles to guide those who seek to administer the laws. The result has been that the labor adjusting boards of the several states have endeavored to end strikes as they have arisen, rather than to eliminate the grievances which gave rise to them.

To remedy this defect and to make authority less localized, the Department of Labor was created in 1913, and the secretary was empowered to act as a mediator in settling industrial disputes or to appoint men to settle them. This plan has been successful to some extent, but still there appeared no set of principles for the guidance of those who attempted to settle labor controversies. What success the National Labor Board (established as a war-time measure in 1918) had was due mainly to the spirit of patriotism which prompted men to act in the interests of a warring nation, and to the strong-arm methods of the Federal Government in persuading disputants to come to some agreement.

Overrule Boards

So, in 1934, the Federal Government through its recovery project attempted to state generally what principles would be followed, as it did in Section 7A of the N.I.R.A., and to locate responsibility jointly on the shoulders of employers and employees in each industry. The thought apparently was that voluntary action through the self-administration of rules governing disputes was better than strict government intervention in each case. The act did, however, provide for industrial relations boards to arbitrate disputes and to encourage co-operation in cases where industries would not do so voluntarily. But the continued controversy over the recognition of union labor has retarded the formation of these boards on a great scale.

Probably anticipating this difficulty, the framers of the act provided also for national and sectional labor boards to which the disputing parties may carry their complaints for voluntary settlement. The idea seems to be that they are to act as courts, releasing their interpretation of disputes for the guidance of arbitrators in subsequent cases. To date the National Labor Board has released some comments concerning collective bargaining agreements, employers' rights, the freedom of representation and elections, majority rule, discrimination, and reinstatement. But when president Roosevelt intervened in the motor strike, he reduced the prestige of the board by over-ruling its assumed right to supervise elections, and its decision of the majority rule in favor of proportional representation with secrecy. It is contended that secrecy cannot be had, and protection guaranteed at the same time against coercion by employers.

The so-called Wagner Bill which outlines principles governing disputes more clearly, reduces them to simpler terms, and provides for a stronger and more permanent Labor Board to administer, to interpret, and to apply principles in diverse situations, has itself been drawn into the fire.

Roosevelt Should Act

Debate here has arisen over the standards by which the principles are to be applied. What is therefore needed is an early agreement on the principles by which labor disputes are to be settled. In the absence of a congress to dictate, it would seem to be squarely up to the President under his emergency powers to provide this basis. Otherwise, while strikes are settled here and there in the due course of time, the real grievances are not eliminated.

Chamber of Commerce Wants Simpler Tariff

Thinks Reciprocal Trade With U. S. A. Should Be Studied by Governments — Should Clarify Value for Duty

The urgent need for mitigation of harassing customs regulations which, "even more than tariffs," create friction between countries, was stressed in the report of the Joint Canada-United States Committee approved in principle at the recent annual meeting of the Canadian Chamber of Commerce. The report calls for government action in both United States and Canada to eliminate restricting regulations and also to make some definite ruling on the contentious question of what constitutes a fair value for duty purposes.

Endorsation was also obtained of the recommendation of the committee that "the governments of United States and Canada should enter into negotiations with a view to determining the extent to which mutual concessions can be arrived at to accelerate the movement of trade between the two countries."

Basis of Treaty

The need for reasonable protection of home industries is admitted by the committee while also stressing the necessity of a tariff policy which will allow of reasonable competition in each other's markets. On this subject, the report states:

"The Joint Committee is of the opinion that the uninterrupted growth of trade between Canada and the United States, being of much concern to both countries, it is of chief importance that mutual trade negotiations, to be successful, should be conducted on the principle of affording reasonable competition in each other's markets, consistent with reasonable protection to their respective industrial conditions."

Importance of U.S. Market

The report of the Joint Committee contains a complete history of trade between the two countries, each country being shown as among the other's chief export markets. In 1933, for example, Canada was number two among the customers of the United States, taking 12.6 per cent of United States exports, and the United States was number two among the customers of Canada, taking 32.6 per cent of Canada's exports.

In view of the British Empire tariff policies, it is of importance to note that the United Kingdom comes first among foreign trade contacts of both nations. In 1933 the United Kingdom took 18.6 per cent of American exports and 39.2 per cent of Canadian exports, it is pointed out.

Upper Canada College Redeems Bonds Oct. 1

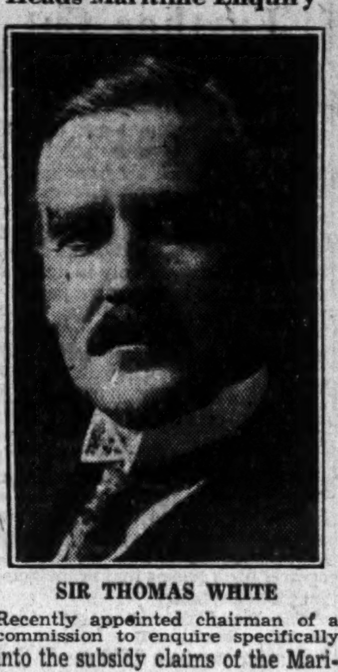
Six per cent first mortgage bonds of Upper Canada College, Toronto, have been called for redemption at par and accrued interest on Oct. 1.

The bonds are payable at the Canada Permanent Trust Co., Toronto, and were originally issued in 1922.

Good N. B. Potato Crop

Present indications are for a substantial potato crop in New Brunswick this season of excellent quality on an acreage some ten per cent greater than in 1933.

Heads Maritime Enquiry



SIR THOMAS WHITE

Recently appointed chairman of a commission to enquire specifically into the subsidy claims of the Maritime Provinces. Although reports from Ottawa state that the commission will organize as soon as possible and open hearings in the Maritimes in order to have a report ready for the next session of parliament, The Financial Post understands no information is available as yet as to procedure to be adopted. Chief Justice John A. Matheson of Prince Edward Island and E. W. Nesbitt, former M.P. of Woodstock, Ont., will act with Sir Thomas, the former being the Maritime appointee and the latter representing the Dominion Government.

Fanny Farmer To Split Shares Four for One

A special meeting of common shareholders of Fanny Farmer Candy Shops Inc. has been called for Sept. 24 at Rochester to consider changing the present 100,000 shares of no par value common stock into 400,000 shares of $1 each. Approval of the proposal, which is expected, will mean that shareholders will get four new shares for each present share. The objective is to broaden the distribution of shares and the market for them, The Financial Post is informed.

Other amendments to the company's certificate of incorporation will also be considered. These include reduction of the number of preferred shares from 45,000 to 6,650, the latter being the number unredeemed, and to change the manner of showing the capital in the balance sheet so that the capital shall equal the sum of all issued shares having par value plus $54.71 for every issued share of no par value, plus amounts the directors may decide to transfer to capital account.

The preferred shares have been called for redemption at $38 each, and carry no dividends after Oct. 1.

CANADA MALTING BUSINESS BETTER FOR NEW PERIOD

U. S. Demand Sustained—Costs Up Due to Process Lag

Improved general business of Canada Malting Co. reported some months ago in The Financial Post is continuing into the new fiscal year which opened Aug. 1, it is understood.

In addition to the better demand for malt by Canadian breweries following the freer sale of beer in Ontario in the last summer, malt exports to the United States have continued. It was expected that such export trade would soon decline once beer manufacturing in the United States became legalized. Malt is tax free, but a duty was anticipated as soon as U.S. domestic production was stepped up. The drought in the malt barley section of the upper Mississippi states has so reduced potential supplies across the line that the export demand for Canadian malt is now expected to continue for some time.

Raw material costs for such companies as Canada Malting have advanced as a result of the shortage of good malting barley in United States, The Financial Post is informed. Although the American duty still remains on all coarse grain, buyers from across the line have been gathering supplies in eastern Canada. This extra demand has sent barley prices up here just as they have been advancing in United States for over a month.

Malt Goes Up

Malt in keeping with barley has also advanced, but it is understood that the gain has not fully offset the extra cost of materials and in any case there would be a lag during the period of processing. On the other hand the inventory of Canada Malting and other companies interested should benefit and future earnings would depend to some extent on the amount of grain, malt and other material on hand before the rise in price. It is known that the breweries greatly increased inventories in anticipation of the change in the Ontario beer law in July and it is believed that Canada Malting, also aware of such a change and realizing too, that only a light barley crop was being harvested, would have a double incentive to push inventory above the $987,304 reported on July 31, 1933. This figure while about the same as that reported at the end of the fiscal year in 1932 was nearly half a million dollars below the inventory of 1931 and almost an even million below that of 1930 and good profits were made in both the years following those high inventories.

Malt Contracts

Inventory profits for each advance in the price of barley or malt are offset to some extent by contracts with most breweries for supplies in advance. This ensures brewers against price increases for several weeks in many cases, and in some for several months. And it prevents malt manufacturers such as Canada Malting Co. from immediately translating into profits advances in inventory values.

Reorganization is Asked By Western Agriculturist

Tariffs, Taxes and Debts Must be Adjusted if Farmer to Continue in Business, R. A. Wright Tells Winnipeg Convention—Opposes Crop Limitation

"All thought of limiting agricultural production must be abandoned" R. A Wright, of Drinkwater, Saskatchewan, prominent western Canada agriculturist told the convention of the Canadian Chambers of Commerce at Winnipeg recently. Instead of cutting down farm production, he would actually increase it. Mr. Wright is president of the Western Canada Livestock Union.

The solution for the present Canadian agricultural problem, he said, involved both wider markets and the return of both farm and commodity prices to the natural parity that prevailed when free interchange of such goods was no longer hampered by artificial restrictions. It demanded recognition of the fact that world trade, like individual barter, could never be a one way exchange. Both parties to the trade, he argued, must profit if it was to continue.

Want Two-way Trade

"There must be a careful survey and such revision of our tariff schedule as to enlarge the foreign outlet for our surplus products of agriculture by permitting an enlarged general foreign trade in volume sufficient to pay for the farm products taken. This does not mean flinging our markets open to a flood of foreign industrial products and equally it does not mean the maintenance of tariff duties so high that they act as a virtual embargo against our purchases abroad of goods sufficient to balance our sales of farm products," stated Mr. Wright. "The problem is to devise a programme that can make the tariff effective to all Canada by using it to create through reciprocal arrangement a wider market and an additional demand for the products we need to sell abroad."

Protection a Burden

Mr. Wright did not challenge the sincerity of those who have advanced industry at the cost of agriculture but he doubted their wisdom. Government discrimination that grants special advantages to one group, he said, must necessarily place a corresponding disability upon some other group, and the history of the protective tariff especially in countries of pioneer agriculture showed it to be advantageous to industry but a burden upon agriculture. Both sides stand to lose by a continuance of the present system, he claimed, citing the illustration of T. A. Russell, head of the Massey-Harris company, who had previously reported that employment of his company had fallen from 4,900 in the year 1929 to an average of less than 1,200 for the period 1931-33 during which agricultural prices had been steadily declining.

Face General Decline

"We thus face a loss of both rural and urban population or a peasant existence with low purchasing power unless these conditions are adequately met," said Mr. Wright. "Profits in farming depend upon what the farmer pays out as well as what he takes in. The price of what he buys is just as much a factor as is the price of what he sells. The policy of government that makes a protective tariff an instrument to add to the wages of labor or to the volume of profit, hurts the farmer in two directions: it advances the cost of things he has to buy and narrows the foreign demand for the products he has to sell.

"In a country such as ours," he continued, "where agriculture is the important factor and an exportable surplus of farm products is the key to prosperity, the custom tariff must be adjusted so as to permit the exchange of farm products for a range of manufactured products sufficiently wide to take care of the surplus withdrawn from the soil. It needs adjustment not the destruction of our industrial organization. National advantages must be utilized even though some industries dependent for their existence upon practically prohibitive tariffs will suffer. If one or the other must go, it is reasonable that we save the more important one. It is inconceivable that tariff walls must not be lowered and also that farm population must dwindle to the point where agricultural products can be marketed. Industry cannot now maintain those who have derived a living from such employment unless agriculture is able to buy their products. Changes and re-adjustments must be made to assist agriculture or tomorrow the farmer will help swell the radical group."

Difficulties

Mr. Wright had little patience with policies employing planned production for agriculture. He also ridiculed suggestions of moving wholesale blocks of population from drought-stricken areas into other points. As far as southern Saskatchewan and Southern Alberta were concerned, he was also opposed to increased immigration. In that area, he argued more farmers were not necessary. In fact, he believed that with low yield per acre a narrow margin of profit and increased mechanization, larger farms and less man power was essential.

To illustrate the present difficulties, he mentioned the case of a typical southern Saskatchewan farmer whose total revenue for the crop year of 1932-33 was the proceeds of 1,423 bushels of wheat amounting to $403.65. as against a revenue in 1928 of $5,138.06. "The decrease in revenue," he said, "was due to two factors, drought and low prices." From this you may readily understand the difficulty presented to the average southern Saskatchewan farm family in adjusting themselves to an income reduced 92 per cent, while expense account is only reduced 20 per cent. Mr. Wright urged business men to accept their fair share of the responsibility in the price decline.

Farmer Does Own Work

"Marketing measures, control production, or acreage reduction, fail to recognize that the farmer who does most of his own work cannot, like the manufacturer, discharge his employees and grease his machinery and store it," he said. "He has rotations and operations which might be continuous over several years. For example, a dairy man cannot put his cows in storage."

One of the reasons farm prices dropped more rapidly than other commodities was explained by Mr. Wright as due to the fact that the farmer must not only maintain his production with falling income but during a depression he makes every effort to increase production and force the sale of his products, a course which he continues in the vain hope of recovery even when the price is below the cost of production.

He was opposed, however, to any government control, claiming that the farmers were not ready for regimentation, to be shorn of the right to do their own planning or use their own wits. "We do not care to become dull human clods, working in the field under orders, subject to constant inspection, control and censure."

Land Utilization

There is a mistaken opinion that a portion of the drought areas of Manitoba, Saskatchewan, Alberta, is slowly reverting to a desert, stated Mr. Wright in referring to land utilization. "The farmer," he said, "was criticized for being allowed to remain in the drought area and those individuals who stayed were looked upon as incurable optimists for hoping that next year would be better than the one just concluded." However, he believed, that in many such instances, it is in their best interests to stay. Before any "grandiose" scheme of moving farmers out of these districts was attempted, he urged that a careful survey should be made of the whole territory. He believes that trained men from the universities, governments, research departments, and meteorological bureaus could give leadership and direction in solving the problem.

Valuable Territory

It was pointed out that within the huge triangle formed by the international boundary, and a line drawn through Estevan to Lloydminster, and back to the boundary again to Lethbridge, was a very valuable area which normally supported two industries, wheat growing and ranching. Within the triangle was grown a large amount of high quality protein wheat. The finest grass in the west also grows there. "We ranchers know that if early May and June rains come," he said, "this grass will thrive and our cattle will be marketed well grown carrying a high degree of fat and ready for the block. If the rains come late the grass becomes 'washy' and our cattle go to market with less finish, thin, and greater numbers of them will grade in the 'feeder' class. No man-made law can alter these circumstances."

Survey Drought Area

"The consequences of a long drought could only be guarded against if the farmer knew when it was to be expected," he said. The period of development is close to a quarter of a century, and the past can now illuminate and guide the future. Past figures give us some hope when one considers the great amount of wealth produced within this area annually. The total of approximately $581,000,000 has been produced over this area within the last 18 years. The 18-year average value of wheat production in the area is estimated at $1,391 per farm as compared with the average of the last five years of $362.

Mr. Wright suggested a comprehensive survey with reliable statistics of weather and prediction as to when drought could be expected. Seed and seed surpluses as well as cash reserves should be accumulated during the good years. A concrete suggestion in regard to crop failures was offered. He suggested a revolving insurance fund which in poor years would pay the farmer for the cost of production and would go a long way toward stabilizing agriculture in unfortunate areas. "Such a reserve," he said, "could be built either by co-operative effort or out of a fund created by a small deduction per bushel of the total crop or by individual farmers themselves."

Taxation

Mr. Wright agreed with Mr. Russell of the Massey-Harris Company that taxation was one of the burdens of agriculture. "In Saskatchewan during 1934," he said, "it required two fifths of the wheat crop to pay the tax bill." He quoted from actual figures from a block of seven farms which he was operating 20 miles southeast of Moose Jaw. These he explained, were in crop district No. 2, classed among Saskatchewan's best wheat lands. Taxation during the past six years on these farms has taken 23 per cent of net revenue. In 1928 these seven farms provided a gross income of $15,858 against which there was a tax bill of $1,643 or a little over 10 per cent. By 1933, the best crop year for these farms since 1929, revenue had shrunk approximately 65 per cent to $4,878 on which the taxes of $892 amounted to over 20 per cent. In some of the intervening years such as 1931 there was no revenue at all from four of the farms and a total of $162.09 from the other three while taxes amounted to $1,279.29.

Cannot Pay

Just how serious the debt problem was to the average farmer under these circumstances, Mr. Wright explained by stating that the interest given on a mortgage on one of these sections in 1932 had not been covered from the whole returns of the five sections and a quarter, 3,360 acres, since that year. "This emphasizes generally the seriousness of difficulty of agriculture," he said, "and the practical inability of meeting farm debts contracted before or during deflation. It also shows the over-capitalization of agriculture and its inability to pay its high interest rate. The lowering of the cost of production and the lowering of the standard of living, that farmers have adopted, have been inadequate to meet these interest charges. Either a large part of the indebtedness must be written off, so that the profit can pay interest on the balance, or if the indebtedness is to be kept intact the sales turnover must be raised to a point where it can pay interest on the whole."

Kentville Honored

It is announced that the Maritime office of the Fruit Export Board of Canada, which has just been incorporated under the Marketing Act, will be at Kentville.

PLANS NOT SET FOR INSURANCE OF UNEMPLOYED

Government Favors Action But Will Defer Terms Till Conference

From Our Own Correspondent

OTTAWA—While the terms of the proposed enactment have not yet been decided, the Dominion Government has announced that unemployment insurance legislation will be introduced at the next session of Parliament. The terms will not be finally cast until after the forthcoming Dominion-provincial constitutional conference and the reason for the delay lies in the fact that social insurance actually is a matter for which the provincial legislatures are responsible.

Without provincial enabling laws, no real measure of unemployment insurance could be enforced from Ottawa. But, in addition, the Dominion will seek from the provincial delegates assurances that the provinces will bear a share of the cost. The detail of the cost has been worked out by the Bureau of Statistics but the manner in which it will be apportioned is still in doubt.

Contributory Scheme

It is understood that the Dominion strongly favors a scheme of contributory insurance. The employees who benefit under it will be called upon to pay a part of the cost. So will the employers. Probably these parties to the scheme will be asked to pay 25 per cent each. The other 50 per cent will either be shared equally by the Dominion and the provincial governments or upon some basis which will be worked out at the conference next month.

The statistical detail prepared under instructions from the government goes to prove that there is a substantial number of persons out of employment in Canada continuously. The individuals, of course, find employment, in normal times, for a greater part of each year but many of them are subject to seasonal lay-offs. It is estimated that about 13 per cent of the working population (not including agriculture) is unemployed. The total is 2,350,000, which reveals the permanent unemployment problem at about 315,000.

Payment of $5 Weekly

The government is figuring on insurance payments not to exceed $5 per week so that the cost, in normal years, would run to $82,000,000. It is presumed that the scheme at the outset would seek to meet only the normal, or seasonal, unemployment problem. This would be done by fixing the maximum period during which an insured person could draw money from the fund. If a person was still unemployed at the expiration of this period, he would have to be dealt with by the municipalities much as is the case today.

High Protein Content

High protein content and a large percentage of high grade wheat characterize the early arrivals of the 1934 wheat crop of Western Canada, according to the preliminary returns of the grain inspection department and the laboratory of the Board of Grain Commissioners for Canada.

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Bank Chat on Current Topics

That Central Bank

BANKERS are becoming somewhat more reconciled to the Bank of Canada. Branch managers are still wondering just what the central bank will be able to do that has not been done in the past. Last week W. C. Clark's exposition of what the embryo institution may and may not be able to do was published in The Financial Post, and may have cleared up some misunderstandings. But bankers agree with Governor Graham Towers that the central bank will not bring Utopia.

* * *

Shares of Bank of Canada

THOSE who thought they were getting in on the ground floor, by sending applications for Bank of Canada shares before public announcement of the offering, were disappointed. New subscriptions on the standard forms provided for the purpose were necessary. This arrangement gave everyone a fair chance.

A popular question, when the shares were offered, was: Is the dividend of 4½ per cent guaranteed by the Government? The answer, of course, is "no." But the bank's right to handle the issue of Dominion notes alone is expected to be highly remunerative, this being one of the departments of the Dominion Government that shows a consistent profit. The gradual acquisition of the chartered banks' note issue privilege is expected to add to the profits. And then there is the discount department, revenue from which is expected to grow, if as and when bank credit expands with business recovery.

"What's to stop someone starting another central bank?" is another question suggested by uninformed observers of the share offering. The answer is that it would hardly be possible to get a charter, and that the note issue privilege would not be granted anyway. So that's that.

* * *

Branches and Staff

HEAD office of the Bank of Canada will be maintained in Ottawa. Branches will consist of the offices of the assistant receivers-general across Canada. These will not take deposits from the public or make loans in competition with chartered banks, but will handle the Dominion's banking and the public debt.

The staff of the Bank of Canada will number about 140 at the start of operations, this being most of the staff of the assistant receiver-general's department. Governor Graham Towers of the bank states that this number will be expanded to about 210 early in the bank's career. Provisional directors have already been chosen in the Bank of Canada Act, as outlined in this column several weeks ago. The governor is Mr. Towers. The deputy governor will be a Bank of England man. The assistant deputy is expected to be a Canadian economist. Shareholders of the bank will be asked to elect directors about the time the bank is to start operations, which will probably be in January, 1935.

* * *

Staff Changes

The Bank of Nova Scotia announces the following staff changes

W. McLEAN to be manager at Kensington, PE.I.

F. M PIDGEON to be manager at Victoria, P.E.I.

Bank of Montreal announces these staff changes:

W. J. CORMACK, formerly manager at Killam, Alta., to be manager at Acme, Alta.

R. D. BROWN, formerly manager at Acme to be manager at Teeswater, Ont.

G. H. HARMAN, formerly manager at Regina, to be manager at Victoria, B.C.

A. H. WYLIE, formerly manager at Prior & Main Sts., Vancouver, to be manager at Port Alberni, B.C.

G. W. RICHARDSON, formerly manager at Port Alberni, to be manager at Prior & Main Sts., Vancouver.

Current Events in Banking World

EXHORT BANKS TO TELL PUBLIC OF THEIR VALUE

Financial Advertisers Told Banks Should Educate Their Customers

Challenging bankers to dispel the mystery of what goes on behind bank doors, and to explain the value of their services to the public, Harrison Jones, executive vice-president of the Coca Cola Co., made one of the feature addresses at the recent convention of the Financial Advertisers Association at Buffalo, N.Y. The various addresses delivered at the convention were devoted to the single theme: "How to meet the public's demand for financial information."

Charles E. Bourne, manager of the advertising department of the Royal Bank of Canada, gave his views on: "How far a bank should go in educating and advising its depositors."

Criticizes Advertising

Mr. Jones spoke on the subject: "What does the average man know about his bank?" His answer to this was: "He doesn't know."

Criticizing present-day banking advertising, Mr. Jones stated:

"The bank is a necessary part of our economic life," he said. "Why not say so?

"It is an adjunct to every individual and every firm. Why not say so?

"It serves a definite utility and makes a definite contribution. Why not say so?

"It renders a service fairly and honorably and charges for its services a fair profit, which is no different from any other business transaction. Why not say so?

"There is no legerdemain, there is no secret art; there is no chicanery; there is no sinister manipulation among honorable bankers and in honorable banking. Why not say so?

Time for Self-Revelation

"I think the time has come to practise self-revelation; to take the audience that has sat agog, mystified and perturbed at our performance, behind the scenes and show them the inside workings of one of the world's greatest businesses.

"To the average man, banking and all things related to banking are matters of deep mystery," Mr. Jones said.

C. E. Bourne's Address

Mr. Bourne in his address also urged explanation of banking functions to customers. Said he: "The threat of a changing social order and the plausible devices of theorists in places of authority must be faced by the banks. The depositor should have impressed upon him the fact that his bank—your bank, is the cornerstone of the community, that it performs indispensable functions in the life of that community and it has no reason to apologize for the exercise of those functions.

"If we, ourselves, do not stress this, we shall soon find that our depositors have learned very different views from their daily casual contacts and are passing them on, with embellishments."

Advocates Campaign

Mr. Bourne thinks that the time is ripe for an educational campaign. Pointing out that individuals are again beginning to realize small surpluses, he stated:

"I think we must teach the depositor that the bank is his friend—not a soulless corporation that cares nothing for him—an idea which the size and magnificence of some of our banking offices are likely to convey.

"The banks in their advertising can do a lot to correct this false impression, but the most important factor is the unvarying tact and sympathy of savings tellers, ledgerkeepers and all the rest of the personnel."

On the point of advising depositors regarding investments, Mr. Bourne stated emphatically: "Canadian banks decree that their officers shall not assume the responsibility of advising customers regarding investments."

Press Approves Towers As Central Bank Governor

Nation-wide Comment by Newspapers Featured by References to Youth of Canada's No. 1 Banker

Reference to the youth of Graham Ford Towers, first governor of the Bank of Canada is a striking feature of nation-wide editorial references to his recent appointment to the post by Premier R. B. Bennett. General approval of the appointment is voiced by Canadian newspapers. A cross section of press opinions compiled by The Financial Post, follows.

The strongly Liberal Toronto Star frankly praises Mr. Bennett in these words: "Mr. Towers is probably as good a selection as could be made in Canada and the premier is to be commended for his choice."

Cautious Opinions

The equally Liberal Winnipeg Free Press is more cautious, apparently on account of Mr. Towers' youth, stating:

"For the position of head of the new Central Bank of Canada the Government has chosen G. F. Towers, assistant general manager of the Royal Bank. It is a heavy responsibility for young shoulders and it is also a high honor. Mr. Towers has special qualifications for the post and although the wisdom of the Government's choice will only be shown by experience, it will be hoped that the new governor will measure fully up to the duties which he is assuming."

So is the Sydney, N.S., Post-Record, which states:

"The Dominion Government's wisdom in selecting so young a governor for the new Central Bank of Canada as Graham F. Towers is liable to be questioned in many quarters, but all will hope that the event may fully justify the choice."

Stroke of Genius

The Calgary Herald views the appointment as a stroke of genius in these words:

"The Prime Minister has on several occasions displayed positive genius in picking the right man for high executive posts, and there is every reason to believe that in this instance he has made an excellent selection. The governorship of the central bank is a big task for a young man because there will fall on his shoulders much of the heavy task of organizing the new institution and getting it under way."

The Saint John Telegraph-Journal adds its word of praise, thus:

"The appointment of Graham Ford Towers, now assistant to the general manager of the Royal Bank of Canada, to the post of governor of Canada's new central bank, will be hailed with satisfaction throughout Canada. Mr. Towers, although a comparatively young man, already has demonstrated his unusual ability as an economist and expert in financial matters, and is held in high esteem in the banking and business circles of this country."

Approval in Verse

The Toronto Telegram reproduces a bit of verse by D'Arcy Hinds of Toronto, as follows:

"Though they told us, over-awed,
"All great bankers lived abroad,
"One was found named Mr. Towers
"In this Canada of ours."

The implication is approval.

Asset in Youth

The Conservative Montreal Gazette views the youth of the world's youngest central bank governor as a decided asset in its comment:

"Mr. Towers moves now to a position which will tax even the great resources which are his. The Bank of Canada is a new institution, with new functions, the first central bank to operate in the Dominion, and its course will be watched and discussed by politicians as well as financial and business men. But the newly-named governor has youth on his side—he is still under thirty-seven, and he has shown a remarkable aptitude for banking and has had the advantage of a broad experience with one of the country's greatest and most progressive chartered banks. He will have, too, the aid of a deputy, trained, probably, in London and before taking up his duties at Ottawa he will make a personal study of central banking methods in various parts of the world. In the meantime, there is bound to be a general sense of satisfaction throughout Canada upon the appointment of a Canadian citizen, and one, moreover, who possesses a thorough understanding of the work of the chartered banks and the incalculable value of the services which they have rendered."

The Liberal Toronto Globe likes the appointment, stating:

"Wide powers are placed in the hands of Mr. Towers, but there will be confidence that the young Canadian banker, who is said to have a good grasp of economic principles and a lively sense of community obligation, will measure up to his responsibilities."

Versatility Emphasized

Although it sees no need for a central bank in Canada at all, the Conservative Ottawa Journal feels that Mr. Towers' versatility is adequate qualification for his new job in these words:

"Mr. Towers is of a new school. Graduated from McGill University, where he took honors in political economy and won a scholarship in economics, he is the author of 'Financing Foreign Trade,' has lectured on banking and monetary problems, has evinced a lively interest in economic and money theories. It is a record which, added to his practical experience in commercial banking, ought to equip him well for his new post."

The Edmonton Journal takes a similar view:

"Though the responsibility is a heavy one for a man 37 years old, he has had in the course of his comparatively short career an exceptionally fine banking experience and has won for himself a high reputation as an economist."

Out on the Pacific coast, the Victoria Times says:

"The government does not seem to have had very much difficulty in finding a suitable man for the governorship. Although young, Mr. Towers will take to his important task a comprehensive experience in the banking business."

The Regina Leader-Post favors the appointment and praises Mr. Towers' youth, as follows: "Trained in economics, Mr. Towers, who is a native of Montreal, has had 14 years of practical banking experience. It may be taken for granted that he has unusual ability to have reached such a high position in one of Canada's leading banks while still in his thirties. His youth will mean that he will bring energy and enthusiasm to the task of organizing Canada's new national bank and in this connection the appointment may be regarded as most satisfactory. It is sound policy when implementing a scheme that calls for the creation of a new organization that has to be evolved and whipped into shape to hand the job over to a young man still untouched with the tiredness of the years."

Bank Branches Further Cut In Past Month

Closings of nine bank branches and opening of one sub-branch, chiefly in August, are announced in the September bank directory for Canada.

Two of the closings, those by the Bank of Montreal, at Lake Louise and Banff, Alta., merely indicate the closing of the more active period of summer tourist travelling to the mountain resorts. Of the other seven closings, four are understood to be "saw-offs" whereby a bank trades its business at one point in exchange for a similar concession from another bank at a different point.

These closings bring a renewal of the epidemic of branch bank reductions that appeared to have halted. Some bankers feel that the coming of the Bank of Canada and gradual acquisition of the note issue by the central bank means that branch closings will continue.

The latest announcements leave Canadian banks with a total of 3,768 branches, of which 3,616 are in Canada, 25 are in Newfoundland and 127 elsewhere. The changes announced in the directory are as follows:

Branch Openings

Place	Bank	Date Opened
*Paradise Valley, Alta.	Montreal	Sept. 13

Bank Closings

Place	Bank	Date Closed
Banff, Alta.	Montreal	Sept. 10
Collingwood, Ont.	Royal	Aug. 31
Lake Louise, Alta.	Montreal	Sept. 10
Lindsay, Ont.	Royal	Aug. 31
North Bay, Ont.	Montreal	Aug. 31
Toronto (Brookdale & Yonge)	Montreal	Aug. 18
Toronto (Stock Yards)	Montreal	Aug. 31
Toronto (Yonge & Erskine)	Commerce	Aug. 18
Watford, Ont.	Commerce	Aug. 15

* Sub Branch.

Dominion Currency Issue Up $7,125,733 in August

Increase Over $27,000,000 Since May 31 — Dominion's Objective is to Expand Bank Cash and Bank Credit

Total issue of Dominion notes outstanding was increased $7,125,733 in August. The issue totalled $198,328,888 at Aug. 31, an increase of over $27 millions since May 31.

The Government is using its authority, conferred by Parliament June 26, to expand the note issue without an appreciable increase in gold reserves. The objective, as explained previously in The Financial Post, is to increase the cash reserves of banks in an endeavor to swell the banks' already large lending resources, to inflate credit and to lower interest rates by providing a spur to advancing bond prices.

Of the August increase, only $100,000 came under the Finance Act, indicating voluntary bank borrowing. The remaining $7,025,733 was placed in banks hands by the Government in its endeavor to ease credit. This would indicate that the Government is deliberately thrusting the cash on the banks who do not feel the need to borrow under the Finance Act.

Forecast by Bennett

As forecast over three months ago by Premier R. B. Bennett, the Dominion is financing part of its deficit by issues of notes. Under statutory authority obtained last June, note issues could be increased by a further $28,350,743 on the basis of gold holdings at Aug. 31. Mr. Bennett explained in June that the full powers of note issue may be used by the Government. So far, it would appear that the Department of Finance intends to do just what Mr. Bennett indicated. Further increases in the issues are anticipated.

It is expected that continuation of the present policy may cause banks to vastly increase their holdings of government securities in the absence of other satisfactory loans and investments. The Dominion is temporarily usurping the functions of a central bank, according to the indications, and according to The Financial Post's information. It is trying to expand bank credit in a manner that has been branded "inflationary" in the United States. Only at Ottawa the scheme is designated as "anti-deflationary."

New Authority

The authority to increase the note issue was given by Parliament on June 26 by an amendment to the Dominion Notes Act. The Government can now issue up to $120,000,000 of notes with 25 per cent gold cover, and more thereafter with dollar for dollar cover. The $120,000,000 level has been exceeded by nearly $12,000,000 at Aug. 31. The effect of the amendment on the currency statement at June 30 was chiefly to show greatly increased holdings of gold in excess of statutory requirements. This was chiefly due to the change in requirements, rather than to increased gold reserves.

It is noteworthy that the expansion of the Dominion's note issue has been made without any consideration of the gold held by chartered banks. Neither does it make any allowance for possible revaluation of gold, the reserves being valued at $20.67 an ounce, whereas the world price is about $35 an ounce. Acquisition of the banks' gold is likely to be made, not by the Government, but by the Bank of Canada. But such additions to the reserve, and revaluation of gold, would allow enormous increases in note issues. Whether such increases would be the course of wisdom is another question.

Changes Tabulated

The changes in the note issue and gold reserve since May 31 are shown below:

Dominion Note Issues and Gold Holdings of Minister of Finance, 1934

	Aug. 31	July 31	June 30	May 31
	$	$	$	$
Note Issues:				
Chap. 4, 1915	26,000,000	26,000,000	26,000,000	26,000,000
Finance Act	40,544,000	40,444,000	37,944,000	38,444,000
Dom. Notes Act	131,784,888	124,759,155	108,713,593	106,666,949
Total	198,328,888	191,203,155	172,657,593	171,110,949
Gold Holdings:				
Against:				
P. O. savings	2,253,823	2,266,190	2,279,765	2,294,959
Dom. notes	41,784,888	34,759,155	27,178,398	69,166,949
Excess gold	28,350,743	36,181,225	43,515,760	371,003
Total	72,389,454	73,206,570	72,973,923	71,832,911

Foreign Exchange Markets

SPECULATION in Europe in sterling and American dollars accompanied recent wide swings in these currencies. Although exchanges appear to have settled down again, fears are still held of renewed currency unrest. European sources look for another devaluation of the American dollar. Sterling would be expected to follow such a move, thus putting francs and other European gold currencies at even higher levels.

Prospects of increased Canadian wheat exports in the current year are believed to have helped sustain the Canadian dollar against sterling and in New York. Close observers feel that confidence in sterling, and the British exchange fund's resources, are sufficient to preclude a broad depreciation of the pound such as occurred in 1931. External sources appear to have been paying small attention to the recent increases in Dominion note issues, so that prospects of pressure on the Canadian dollar are believed to be confined to transactions in securities.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL.

	Par $	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 15	Sept. 17
U. S. dollar, High	.5906	.97 3/32	.97 1/16	.97 3/32	.97 1/16	.97 3/32	.97 3/16
Low	5906	.96⅞	.96⅞	.97	.97 1/32	.97 1/32	.97 1/32
1933 High	1.000	1.05 1/16	1.04 13/16	1.04 15/16	1.04 13/16	1.04¼	1.03⅞
Low	1.000	1.04 15/16	1.04¾	1.04⅞	1.04¾	1.03 13/16	1.03⅛
U. K. pound	4.8665	4.86	4.85⅞	4.86¼	4.86⅜	4.86¼	4.86¼
Argentina	.4246	.2592	.2590	.2630	.2626	.2609	.2600
Australia	4.8665	3.8681	3.8665	3.8685	3.8694	3.8694	3.8672
Austria	.1407	.1862	.1865	.1865	.1865	.1865	.1863
Belgium	.1392	.2305	.2308	.2309	.2309	.2307	.2308
Brazil	.1963	.0654	.0655	.0689	.0702	.0703	.0689
Czechoslovakia	.0296	.0409	.0409¾	.0409½	.0410	.0409½	.0409½
Denmark	.2680	.2173	.2169	.2172	.2173	.2171	.2174
France	.0392	.0646¾	.0648	.0648	.0648	.0647½	.0647½
Germany	.2382	.3907	.3916	.3916	.3921	.3934	.3925
Greece	.0130	.0093¼	.0093	.0093	.0093½	.0093½	.0093¼
Holland	.4020	.6648	.6658	.6662	.6662	.6660	.6660
Hungary	.1749	.2924	.2930	.2926	.2931	.2930	.2930
India	.3650	.3705	.3726	.3722	.3717	.3716	.3711
Italy	.0526	.0841¼	.0843¼	.0843½	.0843½	.0843¼	.0843¼
Japan	.4985	.2928	.2940	.2936	.2938	.2935	.2931
Jugoslavia	.1929	.0225	.0225½	.0225	.0224½	.0225¼	.0225¾
New Zealand	4.8665	3.8835	3.8821	3.8839	3.8849	3.8849	3.8827
Norway	.2680	.2446	.2440	.2445	.2445	.2444	.2445
Poland	.1122	.1865	.1868	.1868	.1868	.1868	....
South Africa	4.8666	4.8525	4.8506	4.8531	4.8543	4.8543	4.8515
Spain	.1929	.1341	.1343	.1343	.1343	.1342	.1343
Sweden	.2680	.2507	.2503	.2509	.2509	.2507	.2509
Switzerland	.1930	.3204	.3208	.3209	.3208	.3207	.3207
Hong Kong	.5422	.3802	.3818	.3819	.3819	.3828	.3823

Aylmer Pays Interest Up to Dec. 31, 1932

Quebec Municipal Commission announces that it has authorized the town of Aylmer, Que., to pay all interest coupons dated on or prior to Dec. 31, 1932, on the bonds of the defaulting town.

Bondholders have been requested to present such coupons for payment.

Canadians Elected by Financial Advertisers

C. E. Bourne, advertising manager of The Royal Bank of Canada, was re-elected to the senior advisory council of the Financial Advertisers Association at the recent annual meeting at Buffalo, N.Y. G. L. Spry, advertising manager of The Huron & Erie Mortgage Corp. and The Canada Trust Co., was re-elected to the board of directors. I. I. Sperling, of the Cleveland Trust Co., was elected president.

The annual convention of the association was attended by over 200 delegates. Among the Canadians registered were: W. C. Clark, Deputy Minister of Finance, who gave one of the principal addresses; D. M. Gowdy, business manager of The Financial Post; C. E. Bourne, The Royal Bank of Canada; P. A. Perreault, Montreal City and District Savings Bank; R. H. Raymer, National Trust Co.; G. L. Spry, The Canada Trust Co., and D. G. MacLean, Toronto.

Weekly Bank Clearings

	Sept. 13 1934	Change year ago	Sept. 6 1934
	$	%	$
Halifax	2,369,503	+29.5	2,075,537
Saint John	1,603,692	+13.6	1,540,617
Moncton	596,962	—9.9	604,640
Sherbrooke	520,144	—12.3	538,829
Quebec	3,730,851	+1.2	3,997,091
Montreal	84,780,461	+5.4	86,744,512
Ottawa	2,842,804	+11.0	3,857,569
Kingston	550,622	+3.2	516,050
Peterborough	683,550	+16.5	563,877
Toronto	117,500,110	+4.0	120,198,815
Hamilton	3,245,769	—11.2	3,380,985
Kitchener	851,821	+10.5	833,106
Brantford	672,795	—5.0	617,669
London	2,166,707	+0.4	2,101,936
Chatham	434,327	+18.5	345,222
Windsor	1,741,312	—7.2	1,543,748
Sarnia	413,894	+24.6	403,829
Sudbury	760,290	+30.1	651,345
Fort William	652,315	+42.9	644,066
Winnipeg	71,309,953	+88.3	44,397,308
Brandon	323,455	—2.3	344,822
Moose Jaw	495,033	+1.6	470,029
Saskatoon	1,458,937	+23.3	1,291,225
Prince Albert	309,129	+29.0	287,317
Edmonton	3,335,740	+4.5	3,614,274
Calgary	6,569,436	+33.4	5,309,096
Medicine Hat	267,021	+13.4	252,863
Lethbridge	493,580	+10.4	560,180
N. W'minster	491,235	+15.0	485,474
Vancouver	14,194,238	+8.0	13,217,300
Victoria	1,463,352	+5.6	1,342,903

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Easy facilities for out-of-door living in comfort, both in winter and summer, pleasant surroundings and a cool climate are found here.

The equipment of a modern medical clinic makes full study of the individual patient practicable.

Constant daily supervision of the patient by experienced physicians, nurses and dietitian provide that attention which means success in treatment.

Patients suffering from hay-fever, asthma, bronchitis and other troubles for which institutional treatment is desirable are also accepted, and may come without fear.

Consult your physician about coming.

A booklet giving full information will be sent on request. Address Calydor Sanatorium, Gravenhurst, Ontario.

112 miles north of Toronto by C. N. R., 106 miles on the King's Highway.

BANK OF CANADA

CAPITAL $5,000,000

Divided into 100,000 Shares of $50.00 Each

The Minister of Finance, pursuant to the provisions of the Bank of Canada Act, offers for public subscription:

100,000 Shares of the Capital Stock of the

BANK OF CANADA

Issue Price: $50.00 a Share

PAYABLE AS FOLLOWS:

On application - $12.50 a Share
On Jan. 2, 1935 - $37.50 a Share

The Bank of Canada has been incorporated by the Parliament of Canada and given wide powers to operate as a central bank of issue and rediscount for Canada.

The Bank is authorized to pay cumulative dividends from its profits, after provision for expenses, depreciation, etc., at the rate of 4½% per annum, payable half-yearly. Surplus profits are to be applied to the rest fund of the Bank or paid into the Consolidated Revenue Fund as provided by the Bank of Canada Act.

Not more than 50 shares may be held by or for the benefit of any one person. Shareholders must be British subjects ordinarily resident in Canada or corporations organized under Dominion or provincial laws and controlled by British subjects ordinarily resident in Canada.

Subscriptions should be mailed to the Minister of Finance, Ottawa, in envelopes marked "Bank of Canada Shares."

Payment must be made by a certified cheque on a chartered bank or by a bank draft or post office or express company money order, payable to the Receiver General of Canada.

As soon as possible after subscriptions have been received, allotments will be made and notice of the allotment will be mailed to the post office address furnished by the subscriber.

Further particulars will be found in the official prospectus and application form which may be obtained at the Department of Finance, the offices of the Assistant Receivers General, post offices, any branch of any chartered bank, and other financial institutions.

The Subscription List will open on September 17, 1934, and close on or before September 21, 1934, with or without notice, at the discretion of the Minister of Finance.

DEPARTMENT OF FINANCE, OTTAWA,
SEPTEMBER 17, 1934.

Insurance for Buyer and Seller

EXPECT REDUCTION IN FIRE PREMIUMS AND LOWER LOSS

More Business Written in Ontario, Less in Prairies

Slightly lower premium income and a similar reduction in losses is expected this year by fire insurance companies operating in Canada, The Financial Post learns. On the basis of premiums earned, this would mean a loss ratio of slightly better than 50 per cent. Available statistical data indicates a considerable decline in total fire losses but a somewhat greater insurance coverage with the result that insurance losses are only about 4 per cent lower than in 1933.

So far this year, it would appear that losses have been slightly lower than in 1933 although there is little reduction apparent in the large number of dwelling fires and resultant losses. Premium income has held up fairly well in Ontario and the east generally, some companies reporting a higher income from this area. So far, the West has been disappointing; an increase in volume is expected from this section during the remaining months, however, due to better grain prices.

Severe Competition

Competition in eastern Canada this year has been the most severe in history, the already-crowded field being further added to by the addition of companies which formerly concentrated on the Prairies. Business improvement, with resultant heavier inventories, has not added to coverage to any great extent, it is reported, merchants and manufacturers being still able to avoid piling up heavy stocks.

Mutual companies claim to have recorded a decided increase in business in the east, particularly in Ontario, this increase having been accomplished partly, at least, by larger agency forces. Assuming that joint stock companies have held their 1933 position, this would indicate that more business has been written in the east. All companies are agreed that the volume in the West is somewhat smaller.

Losses Smaller

Fire losses in the first eight months of 1934 were 18 per cent lower than during the corresponding period of 1933, according to the compilation of the Monetary Times, Toronto. On this basis, therefore, unless there is a very heavy reduction in premiums written, loss experience should be somewhat better than in 1933.

Ontario fire losses, which amount to about one third of the Canadian total, are available for the first half of the year and show a reduction of close to 10 per cent. Insurance companies, however, have not benefitted to the full extent of this reduction, the compilation of the Ontario Fire Marshal showing a drop of less than 4 per cent in the amount of loss covered by insurance.

Last Year's Experience

Net premiums written by fire insurance companies in Canada in 1933 amounted to nearly $43,000,000, while losses were approximately $23,000,000, these figures comparing with $48,000,000 and $31,000,000, respectively in the previous year. In 1933, Ontario accounted for about one third of premiums and losses and Quebec for one quarter of premiums and one third of losses.

Insurance Inklings

FREDERICK H. ECKER, president of the Metropolitan Life, and a number of other head office officials of the company, including Harry D. Wright, Canadian manager, are making a tour of the company's agencies in the Canadian prairies.

A. H. HAUGEN, Great-West Life, has been appointed district manager for southeastern Minnesota. Mr. Haugen was formerly head of a general insurance agency.

Great-West Life Assurance Co. announces that, according to information received from the Life Insurance Sales Research Bureau, Hartford, the company wrote 16.91 per cent of the total business done in British Columbia during the first half of the year as compared with 14.67 per cent in the first half of last year.

United States
Fidelity & Guaranty
Company
TORONTO

SECURITY

Every policy holder — large or small — insured with the Prudential Assurance Company Limited of London, England, possesses that sense of security which is the right of all who invest in insurance in any form. Prudential's total assets exceed $1,350,000,000. Payments made to policy holders in 1933 amounted to $124,828,796*. Figures such as these are mute evidence of the security behind every Prudential policy issued.

*Computed on the basis of $4.86-2/3 to £

LIFE - FIRE - CASUALTY
THE
PRUDENTIAL
ASSURANCE COMPANY LIMITED OF
LONDON ENGLAND
Head Office for Canada: 465 St. John Street, Montreal, Quebec

Dominion Life Assurance Plans Important Changes

Premium Rate to Increase — Interest Rate Reduced — Policy Dividends Maintained

Announcement of an immediate reduction in the rate of interest payable on moneys left on deposit has been made by Dominion Life Assurance Co., of Waterloo. The new rate of 4½ per cent will go into effect immediately. The rate formerly paid was 5 per cent.

Similarly important changes are being forecast for the company's new rate books which will go into effect on January 1. The changes were discussed with the company's managers at a recent gathering of officials and leading underwriters at the Seignory Club, Montebello, P.Q.

Most important change will be a substantial increase in the company's non-participating rates. This change will go into effect on January 1.

Low Cost Policies Higher

Another change will be an increase in the rates now being charged for the company's low initial cost participating policies. This increase will also be accompanied by a reduction in surrender values on these policies, particularly in the early policy years. Surrender values for policies 20 years or more in force will remain practically unchanged. The surrender values on limited payment life policies will also be very considerably reduced—particularly in the early ages.

Annuity Rates May Increase

It is also probable that when the new rate book goes into effect the company will increase its annuity rates, although no definite decision has been made in this respect it is believed. The company has been writing only a small volume of this type of business so that the matter is not considered as pressing as in the case of other companies which have been writing very substantial amounts.

Dividends Unchanged

Another important decision is that there will be no change in the company's scale of dividends to policyholders. The scale in force last year will be continued and policyholders will receive of course their normal annual increase due to the increased age of their policies.

The current scale is roughly 50 per cent of that which prevailed prior to the depression, the company having been one of the first to bring its dividend distributions into line with the situation surrounding the insurance business generally and the company in particular.

INSURANCE HEADS APPROVE CHANGES IN LIFE, AUTO LAW

Will Again Consider Fire Amendments Next Year

Although no radical changes in insurance legislation or policy forms are likely to result from the deliberations at the recent annual conference of the Association of Superintendents of Insurance of the Provinces of Canada, a heavy schedule of business was successfully accomplished and a number of minor changes in policy forms and definitions recommended in the life and automobile insurance fields. Proposals for changes in fire insurance legislation, definitions and policy forms were debated and referred back for further consideration and submission to the 1935 meeting.

Amendments to life insurance legislation, mainly of a legal nature, considered by the meeting, ran to approximately 15,000 words. These amendments were carefully overhauled and will be printed and submitted to the provincial insurance departments. If not more than two objections are received within two months, the changes will be recommended for enactment. Changes will only come into force, however, by order-in-council, to enable all provinces to include the alterations in their statutes before any action is taken.

Auto Changes Approved

About a dozen changes in automobile insurance definitions and policy forms were agreed upon and, although these will not affect the policyholder to any extent, they are considered by those in the business as being worthwhile and timely alterations. These changes will take effect in the same manner as those for life insurance in order to provide as much uniformity as possible in the laws of the various provinces.

Clarification of the term "marine insurance" was agreed upon at the recommendation of the standing committee on Uniform Definitions.

Election of Officers

Re-election of R. P. Hartley, K.C., president of the association and Deputy Attorney-General of New Brunswick, established a precedent, he being the first president to be chosen for a second term.

Hon. W. J. Major, K.C., Attorney-General of Manitoba, was elected honorary president, a new office.

Other officers, all re-elected, include H. R. Stewart, Superintendent of Insurance for Prince Edward Island, vice-president, and R. Leighton Foster, K.C., Superintendent of Insurance for Ontario, secretary-treasurer.

Heavy Hail Losses Boost 1935 Rates

Hail insurance rates of the Saskatchewan Municipal Hail Association for the 1935 growing season will be almost double those of this year owing to a $1,100,000 loss from 1934 operations, it was announced at a recent meeting of the association. The new rate will range from seven to 23 cents, depending on the past hail loss record of each "zone."

The directors, however, cut the flat rate, previously three cents, to two cents an acre.

Three severe hail storms during the past few months were responsible for the higher acreage rate being necessary. Rates struck last year were calculated to carry loss such as would occur in a normal year.

Manager in N.S.

WALTER W. MURRAY, C.L.U.

Appointed manager of the Nova Scotia division of the North American Life Assurance Co. Mr. Murray was formerly manager at Sherbrooke, P.Q.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Mill Owners Mutual of Iowa

Will you please tell me whether the Mill Owners' Mutual of Iowa is a safe company in which to take an agency?

Mill Owners' Mutual Insurance Co. has been regularly licensed to do business in Canada since 1923 and holds considerable assets in Canada, the bulk of which are held directly for the protection of Canadian policyholders.

It complies with the federal requirements in respect of a deposit, the amount of its deposits being normally sufficient to cover its liabilities in respect to unearned premiums.

The company has had a good record in Canada and is rated as "very good" by a well-known rating organization in the United States.

Mutual Benefit Societies Have Many Members

Assets of $4,652,380 and liabilities of $35,699 at December 31, 1933, are shown for 90 provincial mutual benefit societies operating in the Province of Quebec in the recently issued annual statement of the provincial treasurer. Total membership in these mutual benefit societies is set at 43,697 and 1,250,237 certificates are in force.

Richest from the point of view of assets are the Montreal Firemen's Benefit Association, the Montreal Policemen's Benefit Association, Hebrew Sick Benefit Association of Montreal, Montreal Tramways Mutual Benefit Association, Union St. Joseph a Saint-Roch de Quebec, Union St. Joseph de Notre Dame de Beauport, Union St. Joseph de St. Hyacinthe, Canadian Pacific Expressmen's Mutual Benefit Association, Independent Order of Odd Fellows, Grand Lodge of Quebec, Independent Order of Odd Fellows Subordinate Lodges, Union St. Joseph de Drummondville.

Death Claim Benefits Double Premium Payments

Death claims paid by the North American Life during July averaged $1,839 while the average premiums paid was $722. The amount of return over the amount paid-in was therefore one of 255 per cent. In not one case was the amount paid in more than the amount paid.

The average policy had been in force for 14 and a half years and the average age of death was shown to be 50.

Obituary

Gen. W. O. H. Dodds—for many years chief agent in Canada for the Mutual Life of New York, died in Quebec on Saturday, August 25, in his 67th year. Prior to the closing of that company's office in Montreal two years ago, General Dodds had represented the company for 40 years.

Increased Shareholders' Stake Should be Aid to Life Insurance

Dwindling Share Equity in Billionaire Business Raises Doubts as to Adequacy of Capital Invested

By W. A. McKAGUE

Is a life insurance company, of whose assets 97 per cent represent premium reserves and other funds at the credit of policyholders, and three per cent represent shareholders' equity, really a capital stock enterprise, or a mutual organization?

Most readers will almost at once say that however it may be a capital stock concern in legal form, the shareholders' equity is so thin that it is actually a mutual form of organization.

And this is not a far-fetched illustration. The above percentages are the present averages for the Canadian life companies as a whole. Some have a wider margin of shareholders' interest, in others it is necessarily smaller, and three are entirely mutual.

A One-sided Interest

This one-sided distribution of interest in the assets of our life insurance companies has developed gradually, but has become more conspicuous during the past decade. It has come about through writing of large amounts of new business, with resulting accumulation of premium reserves and other credits to policyholders' accounts, while capital stock has been increased by very little.

From 1910 to 1933, the Canadian companies increased their business in force ten-fold, and their premium reserves at about the same rate, while paid-up capital was merely doubled and the total shareholders' equity, including shareholders' reserve and surplus, just a little more than doubled. One company wiped out its capital by mutualizing entirely.

Valuation of Assets

The shareholders' equity, if market values were taken into consideration, was wider a few years ago. But the slump in market values of investments cut it down drastically. In fact, artificial or "authorized" valuations are now being used for wide classes of securities. If it is sound to maintain authorized values in times of depression, then it should be equally sound to devalue in boom times. If the present practice were to be made permanent, however, by some plan for taking long-term average market values rather than market values at a given date, the preparation of financial statements would be very troublesome, on account of the numerous recapitalizations, stock dividends, etc., which occur in a large investment list over a period of years.

Insurance companies would rather not be faced with such a problem. Book values, of course, are the simplest method, but our insurance departments have insisted upon the use of market values, until recent years, in their purpose of checking the solvency of insurance companies; and now, their authorized values are based more or less on market values, but over an extended period rather than at a given date.

Safety Margin Needed

If wide fluctuations are to continue in security markets (and we have no reason to believe otherwise) and market values are to be used, there would have to be a large accumulation of safety margin in a mutual company. But in a joint stock company, a substantial widening of the shareholders' margin would be a solution.

Whether the insurance companies should be mutual or joint stock is a question with which we will not attempt to deal. But if they are to continue on the latter plan, let us draw some conclusions from the developments of late years.

Long-term Data Compared

The following figures for Canadian life companies show the changes in the net amount in force or "at risk," the resulting policy liabilities and the balance of assets constituting the "shareholders' equity":

Dec. 31:	Net amount at risk $	Liabilities to public (premium reserve, etc.) $	Liabs. to sh'holders (capital, surplus etc.) $
1890	138,000,000	18,500,000	2,200,000
1900	303,000,000	54,500,000	5,000,000
1910	707,000,000	150,000,000	20,900,000
1920	2,080,000,000	381,200,000	38,800,000
1930	7,294,000,000	1,436,000,000	75,000,000
1933	6,920,000,000	1,626,000,000	48,000,000

Basis of Valuation

In the capitalization of companies, it is widely recognized that there should be a substantial shareholders' equity. In many lines of business, in fact, it is considered that 50 per cent is a sound ratio. Life insurance has been spared this test because its early maturities or claims are a very small proportion of its total liabilities. Premium collections nearly always cover them. Only a company with a rapidly declining volume of business would have such a shrinkage in funds as to require realization of invested assets. Accordingly, the ultimate rather than the immediate value of assets is considered a fair test of solvency—hence the basis for "authorized" values.

But such artificial values are wholly problematical. The current market value of a bond may be 25; to authorize a value of 50 is merely guesswork; it may prove to be 100, or less than 25. When low market values persist over several years, resulting in the extension of authorized values over several years, there is some ground for asking which is right. In fact, the present disposition appears to be to give the companies a chance to restore market values, if not from revival in existing holdings, then from accumulation of new earnings.

Bank Shares Compared

Let us compare bank stocks, these being our leading group of common stocks of financial institutions. Here are corresponding figures of the banks' public and shareholders' liabilities:

Banks Retain Stability

Monthly average	Liabs. to public (notes, deposits, etc.)	Liabs. to shareholders (capital, reserve, etc.)
1890	173,000,000	81,000,000
1900	356,000,000	103,000,000
1910	1,019,000,000	192,000,000
1920	2,784,000,000	280,000,000
1930	2,909,000,000	328,000,000
1933 (Dec. 31)	2,529,000,000	286,000,000

Business obviously expanded at a more rapid pace than did capital and reserve during this period. The shareholders' funds in 1890 provided a 50 per cent cushion for noteholders and depositors, now it is but 12 per cent. But the banks have periodically made large issues of new stock. In fact in every recent cycle they have taken advantage of the years when common stocks were in demand to make new issues at premiums which added to their capital and reserves. They have held their shareholders' equity at least at 10 per cent or higher since 1920, while in the same period that of the life companies has dropped from 10 per cent to 3 per cent. In addition, the double liability of bank stocks increases the potential equity. Under the new law this double liability is to be gradually extinguished, but only as bank notes are retired; these notes are the "quickest" liability which the banks have outstanding. Bank stocks, though common stocks, have a stable record both to dividend payments and market values.

Would Aid Insurance

A wider margin of shareholders' capital and surplus in life insurance, would have avoided the general use of authorized values, and would safeguard the future against permanent or repeated use of authorized values. The shareholders' equity, in any business, is intended to provide a cushion out of which losses are met and into which profits go. It protects and "assures" the creditor, who in this case is the policyholder, and it broadens investment interest in the enterprise.

The fact that policyholders have enjoyed the predominating proportion of surplus earnings, in the form of participating dividends, is hardly an answer. Life insurance is primarily intended as a protection of definite amount rather than an investment of variable result. There has been a return of "non-par" policies to favor in late years.

Shareholders Would Benefit

There is a pronounced shareholders' angle to this also. When the margin is so thin, it is subject to great fluctuations in value—in a time of depression the shareholders may have no realizable assets, however much the value of goodwill and organization may be admitted. In favorable times, through profitable underwriting or good investment results, their equity multiplies within a few years. In 1930 the Canadian life insurance companies paid over $3,000,000 in dividends to shareholders. In 1933 they paid less than $1,000,000.

We have seen the value of certain Canadian life insurance stocks soar to many hundred dollars, and in one case to over a thousand dollars, each, then later decline as rapidly. That hardly makes for a stable, desirable class of security. A stock for investment purposes should have some degree of stability, and that is not possible when the shareholders' interest is so small. It would appear better for life insurance, which as placed before the policyholder, emphasizes security and stability, to possess these virtues to some degree in its own shares.

Shares Lack Stability

It may be said that life insurance stocks would not be taken now, even if the companies desired to issue them. That is probably true. One reason would be their lack of stability arising out of the thinness of the equity in recent years. But there is evidence that interest in common stocks is returning—the markets show some recovery, and a few new issues of industrial concerns have even been sold this year.

There appears no basic reason why life insurance stocks should not be put out in a broader way. Of course the new funds would not be ordinary capital employed in and earning from business operations. They would rather be additional funds for investment. Shares of purely investment companies have gained a place in the investment field, however. The shares of the life companies would represent funds handled under conservative investment restrictions, but there would be a speculative element of real importance arising out of underwriting results, the control of non-participating investment funds, and a proportion of the profits from participating business.

American Life Convention to Hear Canadian Experts

"Co-operation and Regulation at the Source" will be the subject of an address of James W. Simpson, superintendent of agencies, Sun Life, Montreal, at the annual meeting of the agency section of the American Life Convention annual meeting in Chicago, October 9 to 12.

J. F. Maine, superintendent of industrial agencies, London Life, London, chairman of the industrial section, announces that H. J. Bentley, supervisor of field instruction, London Life, will deliver an address on "Method of Recruiting and Selecting Industrial Life Agents."

Confederation Shows Gain in Business Written

Group insurance business of the Confederation Life Association has shown an 11 per cent gain in the life division and 26 per cent in sickness and accident during the first eight months of the year.

The company is planning a campaign on group business during the remaining months of the year and a greater gain is expected when the year's figures are compiled.

New business of all kinds issued by the Confederation in August amounted to $3,724,551, a gain of $872,367 over August a year ago. For the year to date, issued business totals $29,130,586 as against $23,303,295 in the same period of 1933.

Three Canadians Address National Underwriters

The complete programme of addresses to be delivered at the annual convention of the National Association of Life Underwriters to be held at Milwaukee, September 24-28, shows the following Canadian participants:

Frank Robinson, Mutual Life of Canada, Montreal, "What we Say to the Prospect;" John Nelson, Sun Life, Montreal, "The Curious Trail of a Comet;" and Norman B. McKibbin, Dominion of Canada General, Toronto, "Estate Analysis Selling."

Royal Bank Directors Making Western Tour

From Our Own Correspondent

MONTREAL.—Headed by Morris W. Wilson, vice-president and general manager, a party of Royal Bank directors, including Robert Adair, W. F. Angus and Paul F. Sise, Montreal, left Montreal recently on an extended inspection trip throughout Western Canada and the Pacific Coast. The tour is for the purpose of studying business and economic conditions and surveying the bank's operations in the Western Provinces. Other directors joining the party were A. E. Dyment, Toronto, and W. H. McWilliams, Winnipeg.

The party is travelling west by Canadian Pacific Railway, visiting among other places, Winnipeg, Regina, Calgary, Vancouver and Victoria and will return via the Canadian National Railways with their principal stopovers at Edmonton, Saskatoon, and Winnipeg, the whole itinerary occupying about a month.

THINK BARGAINS IN ACCIDENT INS. HARD TO FIND

Cost of Coverage Determines Possible Benefits, is Claim

For $16 a year one can purchase accident insurance guaranteeing reimbursement of medical expenses up to $1,000 (doctors' and surgeons' fees limited to $250) for a family of three. Additional members of a family can be covered for $3 per person. In this policy, it should be noted, there is no provision for death benefit or weekly convalescence allowance.

On the other hand, accident protection can be purchased having an annual premium as high as $50 a year—usually including weekly indemnity and death benefits—and accident and sickness insurance for which the annual payment may be as high as $100.

Look For Bargains

Judging by the number of enquiries of subscribers received by The Financial Post, prospective purchasers of accident insurance find much difficulty in deciding on which coverage to purchase. They appear to believe that there are bargains to be had if only one knows the ropes.

In an attempt to find a solution to this problem, The Financial Post asked a number of insurance men for their opinions. Without exception, the reply was: "You get what you pay for. The higher the premium the more protection you get and the easier the restrictions."

For example, it was explained, policies are issued which, in addition to paying a set sum in the case of death by accident and certain amounts for loss of limbs, pay surgical expenses, hospital fee charges, nurses' fees and so forth. Again, in recent years, policies have been designed to give maximum benefits during convalescence while reducing the amount paid in case of death. The theory behind this is that the average business man has sufficient insurance, usually with a double indemnity clause, so that, in the case of death by accident his widow or heirs would be sufficiently provided for.

"There are many cut-rate policies in the field," one insurance executive pointed out, "but there is usually a joker which is not apparent on the surface." Expanding on this theme, he instanced the case of an injured policyholder whose policy called for a weekly idemnity while confined to the house by reason of an accident; this man, it was stated, stepped on to his veranda one day, was seen by a representative of the company, and his idemnity was immediately cancelled, although he was unable to work for another month.

Returning Prosperity
In times like these . . .

more than ever, life insurance is a boon to all—to the *Uninsured* as well as the *Insured*.

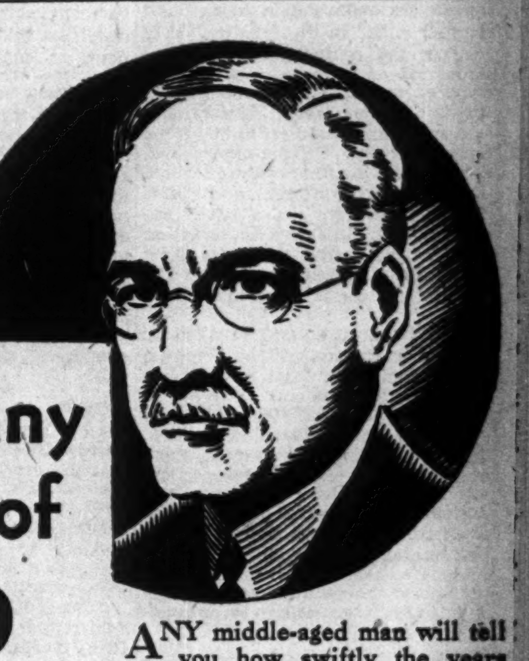
As its premiums accumulate they are promptly used to assist in purchasing homes, in aiding farmers and financing industry—thus keeping Canadian citizens gainfully employed.

It *insures more than Life*—it helps to provide work for the Breadwinner, and Food, Comfort and Shelter for his family.

The Sun Life is an important factor in restoring prosperity to Canada. For over sixty years it has been privileged to serve its policyholders and proud to serve the State. Today its world-wide organization and facilities make it more serviceable than ever to the whole community.

There's a Sun Life plan exactly suited to your requirement

SUN LIFE ASSURANCE COMPANY
OF CANADA
HEAD OFFICE . . MONTREAL



Ask any man of 50

ANY middle-aged man will tell you how swiftly the years pass after forty. All too soon middle years have gone the way of youthful ones — and with them middle age's opportunities. Old age approaches. Too late then to start plans for an income for declining years—those years when earning power is greatly reduced, or even gone.

A Manufacturers Life Endowment Policy providing a secure income at age 55 or 60 or later, is within the means of the young man of even moderate income.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE TORONTO CANADA

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters
FRANK E. HAND
Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE
INSURANCE AT COST. ASSETS $4,616,449.10
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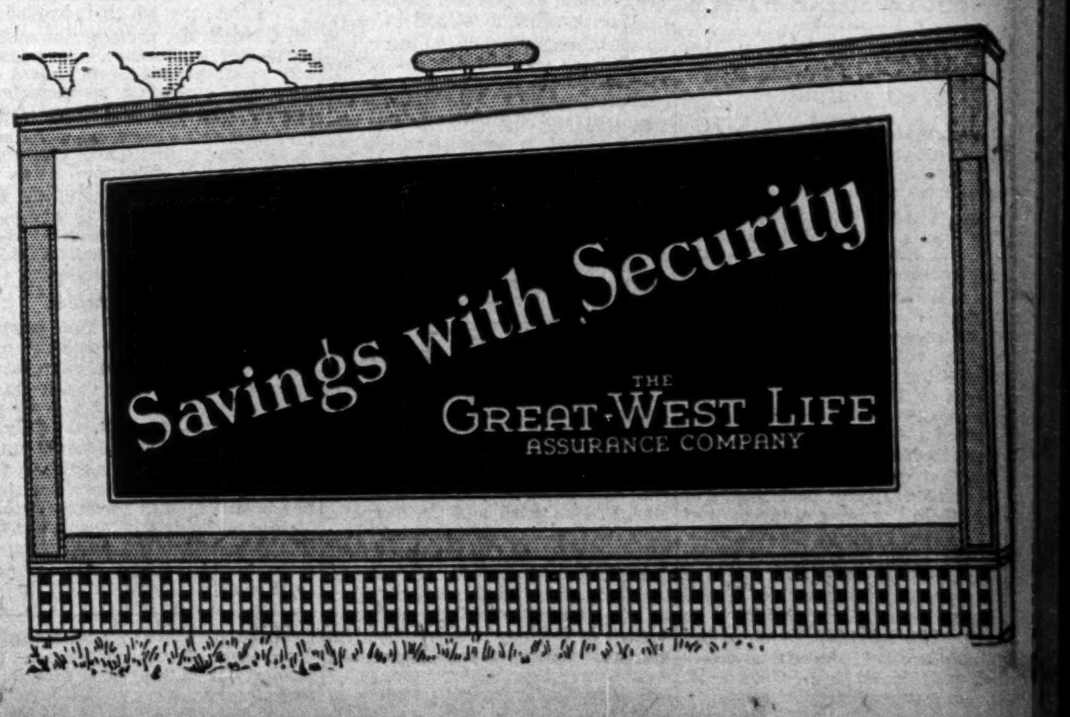
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL
INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force over $243,000,000
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO



News of Canadian Mining Investments

The Week in Mining

Silver Markets

JUDGING by current developments, Canada is to have two silver exchanges where none grew before. First Montreal, then Toronto, have announced their intention of setting up machinery whereby silver, both spot and future, may be bought and sold, as a speculative commodity.

Since United States nationalized silver, and thereby caused the New York silver exchange to close its doors, interest on this side of the border in the buying and selling of silver bullion has grown apace, as evidenced by the number of calls which have been coming in to this office asking where silver could be bought as a speculation.

It is not the intention here to discuss the advisability of two silver exchanges operating in competition to each other in this country, or to discuss the comparative merits of Montreal or Toronto as a site for such an exchange. Both cities have points in their favor. Montreal has a seaport, and was first to make the announcement. On the other hand, Toronto has the floor space on which it is already paying rent, and claims to have "thought" of a silver exchange first. St. James St., however, will hardly agree with the New York Times, when it refers to Toronto as the "larger financial centre."

One important asset to a silver market in Canada neither Montreal nor Toronto has. That is assurance that (1) The federal government will not follow the steps of Roosevelt, and seize all silver bullion, thereby cutting the ground from under the feet of the exchanges, and (2) That the United States administration will not, under pressure from Wall St. permit to a limited extent, the trading of silver bullion in New York. However, both exchanges have canvassed the situation and find the auguries on the whole to favor opening.

* * *

"Old But Ever New"

THE cloud which at present hangs over the promotional efforts of Sakoose Gold Mines, details of which appear elsewhere on these pages, is the climax of a story which is "old but ever new."

The Financial Post has continually warned its readers against the tactics of security salesmen who beseige the investor by means of the long distance telephone. In the case of Sakoose, a Toronto man reports that on the evening before this stock took its sickening dive from $1 to 40 cents, he received a long distance call from a Montreal man whose name figures prominently in the story of Sakoose's promotion. The Montrealer begged and pleaded with his Toronto "client" to hang on to his Sakoose, in such vigorous and wheedling terms, that the Torontonian's suspicions were aroused. When told; "No matter what happens, don't sell Sakoose until I tell you." the Toronto man's suspicions were transformed into action, and first thing on the following morning, he 'phoned his broker and told him to sell.

Unfortunately, other holders of this stock were less sagacious.

* * *

Winnipeg

THE story of Sakoose recalls, but is not necesarily identified with, the case of the Winnipeg widow. This good lady, who had a good deal of her fortune tied up in a reputable, dividend-paying mining stock, received a telephone call from as far east as Montreal one night, and was advised to sell her holdings. Flattered at this attention, and thinking she had at last reached the dizzy heights of "big business," the lady asked why. She was told to use the money to buy another stock which was due for a sharp rise.

An hour later, this same lady received a telegram from Montreal, advising that her new found "benefactor" had bought the new stock at $1.10 per share. Still drugged by what she believed to be her sudden graduation into "big time," the widow hustled off to the bank the following morning, and sent the money. Too late she discovered that the stock for which she had paid $1.10 per share was selling on the open market for exactly 43 cents per share.

This case was directly responsible for the drive against crooks and racketeers which the Manitoba Attorney-General's department is at present waging.

* * *

Index To Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926-100, was 139.3 for the week ending September 13, as compared with 143.3 for the previous week.

Nineteen gold stocks fell from 140.1 to 136.9, and four base metals stocks from 162.3 to 154.7.

BULOLO GOLD ISSUES MORE STOCK

Allot Shares to Placer Development — Reports August Output

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports total production for August from three dredges of 10,001 ounces of fine gold from 653,500 cubic yards. Estimated working profit was 7,506 ounces which at $35 an ounce, represents a working profit of $262,710 (Canadian dollars).

Number Four dredge reached bedrock at the end of August.

It was authorized by resolution passed at the ordinary general meeting held on December 18, 1933, that the company reports supplementary agreements had been made with Placer Developments Ltd., under which that company has now been allotted 150,000 fully paid shares of Bulolo Gold Dredging on account of the purchase price of the Bulowat-Burnside area, as contemplated by the original agreement of January 1932, thus bringing the total issued shares of Bulolo Gold Dredging to 915,000. The balance, if any, of the purchase consideration will be determined and allotted before October 15, 1935, the company's report states.

ROBB-MONTBRAY TO STOP SEARCH FOR FURTHER ORE

Will Follow Advice of Engineers—Plant to be Closed

Dr. W. F. James and H. M. Butterfield who have been making an examination of the property of Robb-Montbray Mines have submitted their reports to the board of directors recommending that, with the exception of a very small amount of exploration work in the areas immediately contiguous to the proved ore, no further expenditure be made in exploration or development work upon the property as, in their opinion, the geological conditions do not warrant it. They recommend, however, that the ore now in place and on the dump be extracted.

Efforts will now be made by the company, according to an official statement by Robert A. Bryce, president, to consummate an arrangement for carrying out the recommendations of the reports. In the meantime the company's plant and camp have been closed down, but it is the hope of the directors that an arrangement may be negotiated in the near future whereby the proposed mining operation may be undertaken. It is pointed out that the operation of removing the ore will have to be confined to the winter season as the only method of transportation from the mine to the railroad would be by tractor or team over ice.

Ore Erratic

Owing to the erratic nature of the ore deposit it is difficult to determine its exact value, but it is felt that the ore in place, together with the surface dump, approximating 4,600 tons in all, should be mined. Treatment of this ore should yield possibly 40 per cent of its gross value as a net profit on the operation, according to Mr. Bryce.

Robb-Montbray Mines owns a gold-copper property in Montbray twp., Quebec, which has been inactive since January, 1929. At that time the property did not respond to development and operations were suspended. At the annual meeting of shareholders held in January of this year it was decided to have an inspection made of the property by two independent consulting geologists with a view to determining what steps should be taken in respect to the company's future. With this in view the mine workings were dewatered and Dr. W. F. James and H. M. Butterfield appointed to make an examination of the property.

Big New Absorption Plant Starts in Turner Valley

A. H. Mayland, prominent independent operator, in the Turner Valley Field, has announced that the independent absorption plant costing about $300,000 has now been completed.

Mr. Mayland states that the plant will be producing about 500 barrels of naphtha daily which would indicate that production of naphtha in the valley will be increased by this amount as the dry gas from which the naphtha is extracted would otherwise be burned. The plant which is located on the Mercury lease will process gas from the East Crest, Hylo, Mercury, Miracle, and Mill City companies. Mr. Mayland also stated that the plant was more than an absorption plant. It is equipped to produce gasoline as well. He intimated that the plant would produce absorption plant naphtha or gasoline depending upon which is the more profitable.

Considerable success has followed the starting of Imperial absorption plant which has been in operation in Turner Valley for several months. Oil men point out that both the Imperial plant and the new independent one indicate strikingly the fact that thousands of barrels have been wasted in the past due to the lack of facilities for extracting the last drop of moisture from the gas before it was burned.

Old Butters Salvadore Subject of Litigation

In liquidation about 17 years, Butters Salvadore Mines is the subject of discussion in Superior Courts in Montreal where two groups of shareholders are disputing whether this old mine out of which in its hey-day some $25,000,000 worth of gold was extracted should be finally wound up and assets liquidated or whether exploration into its ore possibilities is to continue. Butters Salvadore Mine is known as the San Sebastian Mines, 35 miles from the La Union, Salvador, Central America. After hearing argument for groups of shareholders, Mr. Justice Sabre Surveyer took the case under advisement.

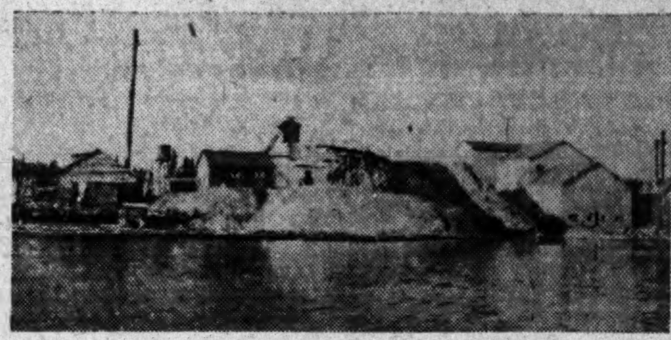
Central American Mines took an option on this property while it was in liquidation and after spending $114,000 claimed to have developed ore valued at $750,000. When its contract expired it wished to carry on its investigation of the mine, but satisfactory terms could not be arranged. There is machinery on the property valued at $40,000, the court was told and the opinion was expressed that it would require an additional outlay of $150,000 to get mine in working shape again. Central American Mines Co.'s lease expired in 1930. Since the company went into liquidation in 1917, about $4.00 on account for each $5.00 a share in capital distribution has been paid.

Golden Quebec Renounces Former Sales Sponsors

Through B. J. Cavanagh, president, Golden Quebec Mines Ltd. announces that it has severed its connection with C. Morrison Smith, Inc., of New York City and its associates, F. H. Ogden and Co. Toronto, "due to the manner in which they solicited sales of the shares of Golden Quebec Mines." Mr. Cavanagh, president, has written shareholders to the effect that had the company known of the methods employed to increase their sales, connections would have been severed sooner.

Golden Quebec owns property in Beauchatel, Clericy, and Bousquet Twp. in northwestern Quebec. The property is in the initial production stage.

Casey Summit's New Plant



Above is a view of Casey Summit Gold Mines from Summit Lake. Officials state that the new 50-ton mill is completed and is going into production immediately. Casey Summit will make the fifth producing gold mine in the Patricia district of Ontario.

PROFIT OF $29,696 SHOWN FIRST YEAR BY GOLD EQUITIES

Company Formed to Provide Diversified Investment in Mining Industry

A net profit of $29,696 from May 19, 1933, the date of its incorporation, to June 30, 1933 is shown by the first annual report of the United Gold Equities which has just been issued. Gross income for the period totalled $33,879, representing $6,670 in interest and dividends and $27,209 profit on sales of investment securities. Management and general expenses amounted to $4,182. During the period covered by the report $3,006 was paid in dividends and $1,348 written off organization expenses, leaving a surplus of $25,341 to be carried forward to the balance sheet.

As at June 30 there were outstanding 112,849 standard shares as well as 1,000 common shares. A table showing the allocation of the amount received from the sale of standard shares shows a total of $210,882 paid to the company's treasury. An additional $27,723 is due to the company from selling agents, making a total of $238,605. Of this amount $112,849 has been allocated to capital stock account, $76,989 to capital surplus account and $48,767 to paid-in surplus account.

In addition to the 112,849 standard shares outstanding as at June 30 there were also outstanding 28,207 option warrants entitling the holders thereof to subscribe, at any time between Sept. 1, 1934 and August 31, 1936, to a like number of standard shares of the company at prices ranging from $2.20 to $3.00 per share. The Eastern Trust Co. holds 500,000 shares in trust for the holders of option warrants.

Diversified Investment

The balance sheet as at June 30, 1934 shows total assets of $282,542. Cash on hand amounted to $896 and the amount due from selling agents of the company is shown at $27,723. Accrued interest and dividends receivable total $2,522. Office furniture is valued at $22, and prepaid and deferred charges are shown at $169. Investment securities are carried at cost price, namely $250,979. The market value, as at the date of the balance sheet, was $253,832. Liabilities, other than to shareholders, consisted of accounts payable of $292 and $17,304 due to brokers on security purchases.

United Gold Equities is a management type of investment trust organized in May, 1933 to provide, through an investment in its shares, a diversified investment in the mining industry, primarily the gold producers of Canada. The company may invest only in the securities of mining companies, or companies identified with the mining industry, except, that obligations of the United States and Canadian governments may be substituted for some or all of the securities in the portfolio at the discretion of the board of directors.

Definite Restrictions

Definite restrictions are laid down in the charter as to the amount of the company's capital that may be invested in any one issue or type of issue. Provision is made that not less than 50 per cent of the funds of the company shall be invested in the dividend and interest paying securities of well managed mining companies of proved resources and earning power, and established dividend records. In addition the company is permitted to seek the larger profits to be obtained from wisely chosen investments in the shares of mining companies that are in the intermediate stages of production and development. However, not more than 50 per cent of the company's capital and surplus can be invested in this type of security. It is also provided that the company cannot invest more than 15 per cent of its funds in the securities of any one issue, other than government obligations. The company is prohibited from borrowing money, purchasing securities on margin or selling short.

The company which is headed by W. G. McBride, professor of mining at McGill University, is exceptionally well-managed, its board of directors consisting of prominent mining and financial men. Other members of the board are as follows: A. P. Earle, Montreal, vice-president; Stanley Johnston, Allen M. Mitchell, A. Gaston Munich and John G. Porteous, all of Montreal; John C. Rogers and Andrew Walz, Toronto. Frank H. Skelton, Montreal is secretary and treasurer.

Holdings Itemized

During the fiscal period covered by the report the company paid $3,006 in dividends, a payment of five cents per share being made January 15, 1934 and 2½ cents per share on April 20, 1934. On July 16, 1934, a dividend of 2½ cents plus a bonus of 2½ cents was paid. A further payment of 2½ cents per share has been declared payable October 25 to shareholders of record October 15. This brings the total disbursement in the current calendar year to 15 cents per share.

Age of 'Peg Rocks Fixed During Crisis

While political chaos reigned in Austria and troops roamed the streets of Vienna, scientists at the University of Vienna were completing an analysis of radio active rock obtained from near Winnipeg, Canada, and concluding that the age of the earth is not less than 1,725,000,000 years.

The results of this analysis recently reached America's scientific circles who, for the laymen's benefit, explained that the method of determining age of rocks and minerals from the amount of radio active material they contain is in many ways like finding out how a popcorn machine has been running by the proportion of popped or unpopped corn. In analysis, the unpopped corn would be the radio active material contained in the rock which has not as yet disintegrated. The popped corn would correspond to the product of disintegration principally radio active lead. The Winnipeg rock provides some of the best samples of the two stages of rock found on earth. It is stated that Viennese work makes it highly probable that Winnipeg minerals are the oldest yet known, at least, on the North American continent.

TWIN LAKES AREA REACTS TO TOUCH OF "BIG TIMERS"

B. C. District Arouses Interest of Various Big Interests

From Our Own Correspondent

VICTORIA.—The entrance of the large operating companies into the Oliver Twin Lakes district is spurring forward activity there considerably, according to reports. During the past week representatives of the Granby Consolidated Mining & Smelting Co. have been in the district inspecting properties adjacent to the Susie Mine, owned by the Guggenheims of New York.

Machinery is reported to be moving into the Guggenheim property by truckloads, while power lines are being laid with a view to starting large scale operations with as little delay as possible.

At the Stemwinder property, owned by Morning Star, water is being pumped out steadily, while at the Morning Star itself a tunnel is being driven to carry water off the first level and to act as a haulage tunnel. It is understood that the mill will be built just below the portal of this tunnel.

Contemplate Mill

B. W. W. MacDougall, consulting engineer for the Fairview Amalgamated Gold Mines, is scheduled to leave the coast for this property shortly to advise on the next step in the operation. It has been estimated by the management that between 90,000 and 100,000 tons of ore are in sight at the present time and it is believed that a mill is contemplated here. Recent picked samples from a rich streak in the east drift showed 1.80 oz. gold and 149 oz. silver in one case and 1.86 oz. gold and 148 oz. silver in another case.

This mine is already served by the West Kootenay Power Co. and development has been advanced very rapidly during the past few months.

While no official confirmation can be obtained as yet, it is understood on good authority that Newmont is also interested in properties in this section.

ATTEMPT TO REVIVE OLD MONASHEE MINE

B. C. Property Has Been Idle for Nearly 40 Years

From Our Own Correspondent

VICTORIA. — Monashee Mine, about 50 miles from Vernon in the Okanagan district, has been reopened after 40 years of idleness and is being developed by the group responsible for the original financing of Vidette Gold Mines.

The present development programme is expected to open up more than 500,000 tons of average grade ore by the spring of 1935 when a mill of substantial capacity will be erected.

Former operators drove four tunnels at different levels on the main vein on the property and treated a considerable amount of ore in the California mill which was at that time on the property. When the property was examined last fall by Dr. Victor Dolmage, and later by Gordon F. Dickson, managing-director of Vidette Gold Mines, the two upper tunnels and the lowest or No. 4 tunnel were all inaccessible due to caving. In the No. 3 tunnel, however, commercial ore was found for the entire distance of 300 ft., the old operators apparently taking it out as they drove the tunnel on the vein but making no attempt to stope.

Teck's Explanation Tardy & Insufficient

Company's Close-mouthed Policy Seen as Unfair to Shareholders—Economies Effected as Dividend is Cut

Teck-Hughes has at last told the truth, if only in part, to its shareholders. It is entering upon a period of decreased earnings from gold production, and speculative interest in its stock now switches to its outside developments, such as Lamaque.

The management of Teck-Hughes, sincere and honest to a degree, and the directors, have not, in the opinion of The Financial Post, acted in the best interests of the shareholders in adopting a close-mouthed policy as to conditions at the mine. Efforts extending back many weeks to discuss the situation with responsible executives of the company have met with polite but firm refusals, until, a few days ago, when, forced to announce a reduced dividend payment, the company had no other alternative but to give some sort of a statement as to what was doing at the mine.

In taking this stand, The Financial Post is not adopting a new attitude. Reference to files of this newspaper for the past four years will disclose frequent criticisms of these major weaknesses of the Teck-Hughes policy.

It is not enough to say, as Teck-Hughes officials have said in the past, that they are interested only in making a mine, and not in what the market may do. The record of this company has indicated that, under Dr. D. L. Forbes, the management has been both sincere and successful in its efforts to make a mine. The point is that in doing so, there has been a tendency to forget the fact that the mine was made with shareholders' money, and that therefore these shareholders are entitled to the fullest possible reports as to the mine's progress.

Ore Situation Critical

Via the grape-vine route, and through independent examinations of this property in the Kirkland Lake area, it is common talk that the ore situation at this famous producer is now critical. The areas reached by the central shaft, which has been supplying the bulk of the ore for the mill, are reaching the depletion stage. Independent observers have estimated that six months should see the highest grade ore washed up, although the new winze being sunk from the 10th to the 17th levels will probably supply a certain amount of profitable ore. But the central shaft itself is known to be in poor shape, having been for nearly four years shaken by blasting. It is planned to hoist the balance of the ore via the south shaft which, of itself, has a limited capacity for hoisting ore.

In the announcement of present conditions at the mines, Dr. Forbes admits that a period of decreased earnings has been struck. In this regard he says:

"During the fiscal year ending August 31, the mine has been deepened to 5,735 feet or 455 ft. below the one-mile depth from the collar of central shaft. Various new problems connected with deep mining, such as ventilation, rock pressures, and hoisting, have been encountered and satisfactorily dealt with while ore has been found on all levels down to the 45th. The 46th and 47th levels, that have just recently been started, have not yet been opened up sufficiently to enable the making of any intelligent forecast as to the grade and tonnage of ore that will be found on them. At September 7, the summary of partially developed ore in the block of levels from 40 to 45 gives the following:

Level	Length ore zone dev.	Total comb. ore length	av. grade per ton
41	1,329 ft.	259 ft.	8.75
42	1,341 ft.	89 ft.	5.75
43	1,401 ft.	296 ft.	8.00
44	1,001 ft.	252 ft.	10.77
45	1,206 ft.	609 ft.	9.10

"Only Fair"

"From the foregoing tabulation it will be seen that the results from the development of the 45th level are encouraging while those from the other levels of the block are only fair. This outcome taken in conjunction with the results from the three blocks between the 25th and 40th levels has now forced your directors to conclude that the mine has entered upon a period of decreased earnings from gold production. In order to obtain the maximum total ultimate profit having regard to all the existing conditions of gold price, facilities, equipment, operating costs and taxation, a reduction is advisable in the daily tonnage of mine ore sent to the mill. A reduction from the former daily tonnage of 1,300 to some tonnage still to be determined, but estimated to be between 1,000 and 1,100, was put into effect on September 1; while, at the same time, use was made of the existing old mill equipment, that would otherwise have become idle, by excavating with power shovel approximately 300 tons per day of high-grade tailings that had been sorted out and saved some years ago for further treatment. The retreatment of these tailings, however, will be confined to the spring, summer and fall seasons."

About two years ago in answer to a direct question from one of the shareholders at an annual meeting, Dr. Forbes stated that there would be no need to impound tailings for future treatment, both because of the quantity of ore available, and because of the efficiency of the mill. Now tailings, not from the big mill, but from an old mill, which formerly handled 300 tons of ore, are being treated until the freeze-up makes treatment of this ore impossible. The mill which, for the past five years has been efficiently handling about 1,300 tons daily, has been cut to 1,000 tons daily capacity. The old mill is being used to re-treat tailings, which are reliably reported to be averaging $3 per ton. This mill is now handling about 500 tons daily.

Economies Effected

Drastic economies are known to have been effected at the mine, about 100 men having been laid off. The mine is being operated now on a two-shift basis. One shift from the south shaft, and one from the new winze from the 10th level, have been laid off. Ore from the 23rd and 24th levels of the central shaft, the only two levels on this shaft having ore left, is being hoisted by the south shaft.

In view of the lack of official denial or confirmation, the management of Teck-Hughes can hardly be surprised if rumors about the parent property are running wild in the street. One of these rumors is to the effect that the management intends to ship at least part of the milling equipment not now being used to the more promising Lamaque property in Quebec. Be this as it may, reports from this property state that at least one of the crushing units is now being prepared for shipment.

Dividend Policy

The whole policy of Teck-Hughes as regard dividends opens up a question which is vital to every investor in mining stock, namely the advisability of paying such an extremely large percentage of earnings in dividends. In 1933 Teck-Hughes earned an equivalent of 67 cents per share on its outstanding common stock. Dividends paid during the year totalled 60 cents per share.

The following tabulation illustrates how closely the dividend payments have approached the net earnings per share for the last seven years:

Dividends and Earnings Per Share

Year	Dividend	Earnings
1933	$0.60	$0.67
1932	0.65	0.77
1931	0.60	0.69
1930	0.60	0.64
1929	0.60	0.54
1928	0.45	0.55
1927	0.15	0.21

McIntyre's Policy

It will be seen that in 1929 dividends were even paid in excess of earnings from operations. This policy is in striking contrast with that adopted by such mines as McIntyre Porcupine, and Hollinger, which have, in the face of criticism from avid shareholders, been careful to set up a general reserve before paying dividends. The record of McIntyre over a similar period follows:

Dividend and Earnings Per Share

Year	Dividend	Earnings
1933	$2.00	$5.06
1932	1.37½	2.81
1931	1.00	*1.98
1930	1.00	*1.62
1929	1.00	*1.44
1928	1.00	*1.31
1927	1.00	*1.45

* After setting up general reserve.

To Cut Dividend

In the long-overdue statement issued recently, Dr. Forbes announces the intention of the company to reduce the dividend from the regular 15 cent payment due on Nov. 1, to ten cents. In this regard, Dr. Forbes states:

"The expressed wish of the shareholders that the existence of your company should be perpetuated through the acquisition and development of further mining properties necessitates keeping large sums available for quick action. Your directors consider that the existing surplus which really constitutes the working capital of your company is adequate and they do not feel that any substantial additions should be made to it at the expense of current dividends. In their opinion, however, the problems of financing a large new mining enterprise and of undertaking the financing and development of still other mining properties (the profits from which are uncertain and in any case cannot be expected to be realized by your company for some considerable time) make it the part of wisdom to conserve your company's present surplus for these purposes. Your directors have therefore decided that it is inadvisable at this time to pay out in dividends amounts in excess of the estimated available current earnings of the company at the expense of its present surplus. They have accordingly today declared a dividend of ten cents per share on the 4,807,144 issued shares of the company payable November 1 to shareholders of record at the close of business on October 10. It is not, however, intended to alter the established policy of distributing promptly to shareholders as much of the ascertained current earnings as possible having regard to prospects and the safety of the enterprise."

It will be seen that the company still regards the surplus as a source for financing new projects, and not as a bulwark against lean times.

Push New Property

With commendable aggressiveness, the parent company has been setting about perpetuating its life by developing the property of Lamaque Gold Mines, in which Teck-Hughes owns a 70.8 per cent stock interest, together with 7-year, five per cent first mortgage bonds, to the amount of $400,000, obtained at 70 per cent face value. It is now announced that Teck-Hughes, under the same terms, has bought a second block at $800,000 par value, to be taken up from time to time as funds for development of Lamaque are needed. In the spring of 1935, further funds will be needed, and another $400,000 worth will be taken up, presumably by Teck-Hughes. Since the total bond issue amounted to $2,000,000, there will remain, after this financing is completed, $400,000 of the original bond issue, which may or may not be taken up by Teck-Hughes, depending upon whether or not the money is needed by Lamaque.

Dr. Forbes' statement leaves a lot of questions unanswered. In view of the reports circulating as to conditions at the property, shareholders are entitled to a much fuller outline of prospects and ore reserves.

August Gold Production Nears Record Set in May

The production of Ontario gold producers in the month of August was valued at $6,058,950, a level second only to the record established in May last when output was valued at $6,454,614. July production was valued at $5,825,430. Output from the Porcupine camp for August was valued at $2,871,027, from the Kirkland Lake camp at $2,918,015 and from Northwestern Ontario at $269,908. Tons of ore milled during the month totalled 560,942 tons.

The aggregate production for the first eight months of the year is valued at $46,751,709 as compared with $33,559,744 in the corresponding period of 1933. Tons of ore milled during the eight months amounted to 4,141,298 tons in 1934 and 3,687,630 tons in 1933.

Ontario producing gold mines in order of output for August, by camps, follow:

Porcupine Camp—Hollinger, McIntyre, Dome, Coniaurum, Buffalo Ankerite, Anglo Huronian (Vipond), and Marbuan.

Kirkland Lake Camp—Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Kirkland Lake, Toburn, Ashley, Barry-Hollinger, Bidgood.

Northwestern Ontario — Howey, Central Patricia, Parkhill, Northern Empire, St. Anthony, Minto, J. M. Consolidated and Golden Star.

Plan Late Autumn Debut for Little Long Lac Mill

Most advanced member of the rapidly growing Little Long Lac family, Little Long Lac Gold Mines reports that its mill is nearing completion and will be ready for production before winter sets in. Electric power has already been turned on and the new equipment, electrical hoist, compressor, etc., have been installed and are in operation, the company reports.

The shaft has now been sunk to a depth of over 725 ft. and drifting is under way from the 700-ft. level. Cross-cutting is under way from the fourth level, 75 ft. east of the station. On the new fifth level, the width of ore of about 15 ft. has been developed with values of about three-quarters of an ounce per ton. It is planned when the mill starts to set production for the initial year at 200 tons daily.

ENGINEER SETS GRANGE PROFITS $484,080 A YEAR

Think New Marcey Mill Will Bring Tonnage to 60 Tons Daily

From Our Own Correspondent

VICTORIA.—An operating profit of $242,040 a year on the present mill rate of 30 tons a day and $484,080 when the new Marcey mill is installed, bringing the mill rate to 60 tons a day, will be made, according to an analysis of costs made by A. J. Gaul, M.E., consulting engineer for Grange Mines.

Mr. Gaul estimates total costs, including mining, milling, transportation and treatment, administration and insurance, depreciation and depletion at $9 per ton. Ore being drawn from the sixth level at the mine is averaging one oz. gold per ton or $34 per ton with mill recovery of 95 per cent leaving a gross profit per ton of $21.

"The average mill heads should not be less than one ounce of gold per ton, provided there is no vital change in the tenor of the ore," said the engineer. "Until the new Marcey mill now being installed is in operation the tonnage handled will not exceed 30 tons a day, but the additional grinding capacity will bring the mill tonnage up to at least 60 tons, possibly 65 tons a day."

Questioned regarding the tonnage of ore to be expected on the sixth level, Mr. Gaul stated that the vein had been opened up for a distance of 200 ft. by the north and south drifts. All ore in these drifts averaging two feet in width assays one ounce or better per ton. Raises are now being driven in order to establish the amount of ore available above, while drifting both north and south will be continued.

Canada's Coal Output Up 23.5 p.c. to June 30

Canada's coal production during the first six months of 1934 increased 23.5 per cent over the output of the corresponding period of last year, amounting to 6,129,899 tons in the 1934 period as compared with 4,961,206 in the first half of 1933. The quarterly report on coal and coke statistics for Canada issued this week by the Dominion Bureau of Statistics gives the coal output of Canadian mines during the second quarter of the current year as 2,798,311 tons, an increase of 37 per cent over the tonnage produced in the second quarter of 1933. The output of bituminous coal during April, May and June was recorded at 2,445,855 tons, sub-bituminous coal, 97,180 tons and lignite coal, 255,276 tons.

Production from Alberta Mines advanced eight per cent over the total produced in the second quarter of 1933. Nova Scotia produced 1,596,870 tons or 68 per cent over the tonnage mined in the three months ended June 30, 1933. In British Columbia, coal production recorded a 23 per cent advance; during April, May and June, 1934, the output was 324,174 tons as against 263,522 tons a year ago. A four per cent increase was shown in Saskatchewan's production when 78,533 tons were mined as compared with 75,612 tons in the corresponding period of 1933. New Brunswick's output of 60,153 tons was 21 per cent below the total for April, May and June, 1933.

N.C. URQUHART & CO.
STOCK BROKERS
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15 King Street West Toronto, Ont.
Adel. 6028

An Announcement

To the Shareholders of
CANADIAN PANDORA GOLD MINES LIMITED

The Shareholders of the Canadian Pandora Gold Mines Limited who have stood by the ownership of their stock may now be congratulated.

The Company has adjusted its internal affairs so that its directorate presents to-day an entirely new personnel in whom you may have utmost confidence.

Now with its house in good order, your management has arranged a financial underwriting which will give the Company sufficient capital to carry on a steady-going, definite program of making a producing mine.

Pandora has gold. It is a proven property, established as one of Canada's potentially great mines. It has been favourably reported on by some of the most eminent engineers in the Country.

Pandora might to-day be listed among the active producers had the financing provided heretofore been better applied and a more-representative management in control. But be that as it may, nothing has been lost; for the gold in the Pandora property remains and, fortunately, a much higher price will be had for it when the Company begins producing.

Pandora is well known to the mining world. Its discovery and its history form a most interesting chapter in Canadian mining. To-day, as it begins to move ahead towards the fulfilment of its big possibilities, it is likely to be one of the most discussed and interest-attracting mine developments in the country.

This message to the Company's Shareholders marks a new day in the affairs of Pandora. It will go forward now, well equipped financially and in operating ability and personnel, to bring its Shareholders the rich rewards which Pandora has always indicated.

CANADIAN PANDORA
GOLD MINES LIMITED
(No Personal Liability)
W. A. TAYLOR,
President.

NEW YORKERS EXPECT SILVER FUTURES FIGHT

Believe Toronto and Montreal May Wage Bitter Contest For Business

RACE FOR OPENING

Manhattan Traders Divide Into Rival Camps But "Times" Says Rivalry Deliberately Fostered

Silver trade members of the Commodity Exchange, Inc., New York City are reported by New York City newspapers to be dividing into rival camps in support of either Montreal or Toronto as the future centre for forward dealings in silver on this continent. The Montreal Stock Exchange, as already reported on several occasions in The Financial Post, was the first to make its plans for a silver exchange publicly known. Numerous applications went forward from silver traders with the result that 18 New Yorkers obtained membership. Then Toronto Stock Exchange, which reported it had been quietly reviewing the whole matter with the chief officials of the Commodities Exchange for some time, announced that it would open up a silver futures department in a big way.

One Must Dominate

Some New York comment is to the effect that the whole matter "devolves into a race for the opening of trading." Some traders state why they favor one market against another, and one dealer proclaims his intention of joining whichever market opens first. He thinks that the early bird will have a better chance of recapturing from London the business taken from New York City when futures trading was suspended on August 9. The New York Times financial editor, however, in "Topics of Wall Street," does not hesitate to suggest that well-placed observers in New York City have little doubt but that "the rivalry between Toronto and Montreal to capture the international silver dealings...was being fed by American interests."

"There is no room for two important futures markets in Canada, it is contended," adds this commentator. "Hence the contest may be bitter until one or the other of the new markets has attained a dominant position."

Silver dealings in United States waxed prosperous in the Roosevelt silver boom from the end of March, 1933, to the date when the Treasury, decided to take over all the silver except that in the hands of the arts and industries. The market is now in London where men meet daily to decide the price for the whole world, but neither Canadians nor Americans are blind to the possibilities of even more important dealings.

Will Canada Nationalize?

Some consternation is being felt over the reception given by the Finance Minister at Ottawa to representatives of the Montreal Stock Exchange who wanted to be assured that Canada did not intend nationalization of silver as Roosevelt has already done. Hon. Mr. Rhodes could not give them that assurance and any arrangements will go ahead with such a possibility, however dim, never out of the question. Every consideration except this commitment was promised, however, and D. S. McMaster, chairman of the board of Montreal Stock Exchange, expresses pleasure at this answer and expected no more. Montrealers deny that there is only room for trading on one exchange. "Let the business flow naturally where best service in each instance can be given," they say.

Toronto Well Guided

In announcing a department for trading in silver and other commodities, members of the Toronto Stock Exchange claim that this measure has been under consideration ever since the New York Commodities Exchange, Inc., abandoned trading in silver the day after President Roosevelt nationalized silver. Delay of the announcement was because they were informed by the chief officers of the Commodities Exchange that there was still some chance that trading on a restricted basis would occur in New York.

The Toronto Stock Exchange did not care to go into the business if there was any trading in the United States of any importance at all. It is now informed definitely that the Commodities Exchange in New York City will not resume its trading in silver futures.

The management committee of the Toronto Stock Exchange is acting under the advice of J. Chester Cuppia of E. A. Pierce & Co. and Julius B. Baer also of New York City. Both these men were leading figures in trading in silver before speculative interest in the silver market was ended by President Roosevelt's recent action.

Will Be World Trade

The Montreal Stock Exchange announced a few days ago that the unit of trading would be changed from 5,000 ounces to 10,000 ounces. The Toronto Stock Exchange members state that condition of their receiving the business which formerly went on on the Commodities Exchange in New York City and of being placed in contact with large dealers in silver the world over is that the new department should accept the 25,000 ounce unit which obtains in New York and the same degree of fineness. As a matter of fact both will have to accept international standards to do a permanent business.

Silver trading is, except for a few large firms in Toronto and Montreal, new to the Canadian exchanges. It is desired to exercise care at the outset and establish trading on the right basis. The help of the two New York men will be invaluable in this connection. Julius B. Baer, of Baer & Marks, is counsel for the Commodity Exchange and J. Chester Cuppia was vice-president and at one time president of the Commodity Exchange. He is also a member of the leading exchanges of the world.

Toronto Has Building Ready

Toronto Stock Exchange thinks that it will eventually be the principal medium for trading in silver on the ground that it is the largest exchange for mining stocks in the world, that Ontario has been and may be again an important silver producer, that it has an excellent ticker service to principal points in Canada and the United States and that therefore quotations can be distributed rapidly to any part of the continent. The Toronto Stock Exchange has a building well adapted for the purpose of silver trading. At present it uses the floor of the Toronto Stock Exchange for industrial and other stocks, the large floor of the former Standard Stock and Mining Exchange for mining stocks and it will have for silver trading the old Standard Stock and Mining Exchange, abandoned some years ago as too small for mining stock trading. This place is on Richmond Street. It has telephone booths and is 5,000 square feet in area and is wired already for operation. Every member of the Toronto Stock Exchange without cost to himself can deal in silver and the exchange will also have 150 associate memberships for eligible traders from United States, London, Shanghai, Bombay and elsewhere.

It is expected that when the silver trading is a demonstrated success other metals will be admitted to trading as circumstances make it advisable.

May Help Producers Here

The New York Commodities Exchange was perfected for silver trading throughout the world. When it started trading there were about 2,000,000 ounces of silver on deposit in New York City and when Roosevelt nationalized silver last summer this had been increased to 200,000,000 ounces. Hitherto in Canada the mines, when selling silver could only deal in spot transactions. They had to ship to London or elsewhere and accept the given price on arrival. Under the new arrangement they will be able to hedge by trading in futures.

Warehouse facilities will be provided at Saint John and Vancouver. That will be important if world transactions take the course that is expected. President Roosevelt is empowered to buy $1,500,000,000 of silver. Other countries deal in silver very largely. London is the centre silver mart.

Warehouses at Coasts

Some think it will be a little while before the trading public in Canada begins to take much interest. They are used to wheat and in many respects trading will be similar to wheat. There will be silver futures just as there are wheat futures now. Different markets will be considered, of course. Deals could be effected in Toronto with silver in Shanghai or silver in London or silver in India. It would not be necessary that the silver should be brought to Canada but much silver would be brought here and placed in warehouses provided in Vancouver and in Halifax.

It is thought that silver exchanges will be a great benefit in the silver commitments of banks and other dealers in foreign exchanges, notably for balances between the Orient and England. So far as the Canadian supply of silver is concerned, the Canadian exchange would have an advantage over London in a 24-hour delivery of new silver from mines at times.

In London the only price quoted is a cash on delivery price. Producers here will not have to wait until their product reaches London to know what they are going to get for it. The new exchange from hour to hour and from minute to minute will show the price of silver and the producer can take advantage of the price whenever it seems to him best.

New Industry Starts In Niagara District

Commercial development of the extensive dolomite and dolomitic shale deposits occurring in the Niagara peninsula of Ontario for the manufacture of rock wool is to be commenced in the near future, according to a bulletin issued by the Department of Mines, Ottawa. It has been known for some time that there are large deposits of rock, in the St. Davids-Thorold district suitable for the manufacture of rock wool, one of the most effectual insulating products on the market, but hitherto the deposits have been undeveloped although successful tests were conducted by the Department of Mines. Three companies are interested in the development of the deposits, one of which, it is understood, will commence the manufacture of the product within the next few weeks. Rock wool up to the present has not been manufactured in Canada and dolomite has been an undeveloped natural resource.

Ymir Yankee Girl Seen Near Production Stage

Prediction that the Ymir Yankee Girl will shortly go into production with a good reserve of ore to guarantee continuous operation is contained in a non-technical report prepared by Robert Clarke consulting mining engineer for Carlton M. Higbie who recently acquired a large interest in the undertaking. According to Mr. Clarke the tramway is now rehabilitated, the mill completed and other improvements in the mine to facilitate the handling of ore accomplished.

Ymir Yankee Girl Gold Mines has an authorized capitalization of 3,000,000 no par value shares of which 1,200,000 shares were issued for the property and plant and are held in escrow. A further 1,000,000 shares were taken up by a Detroit syndicate at 25 cents per share bringing the outstanding shares to 2,200,000. It is understood that half of the Detroit syndicate holdings or about 500,000 shares had been distributed in large blocks in Toronto and Vancouver. These shares were sold at 50 cents each.

The Yankee Girl Mine is a well-known one and a former producer, situated in the Nelson Mining division of British Columbia.

Hercules Consolidated Mining Co.—The new tunnel being driven by this company has cut the new vein according to official reports. This vein did not outcrop and was cut at about 50 ft. from the portal, but the width is as yet undetermined.

LAMAQUE TO SELL NEW BOND BLOCK TO TECK-HUGHES

Statement Outlines Complete Set-up of Quebec Subsidiary

Operations of Lamaque Gold Mines, subsidiary of Teck-Hughes Gold Mines which is developing a gold property in Bourlamaque twp., Quebec, are reviewed in detail in a statement issued this week over the signature of D. L. H. Forbes, president, and sent to shareholders of the parent company along with the interim report of Teck-Hughes Mines.

The statement reads as follows:

"For the acquisition of your company's mining properties there were issued 750,000 shares of your company's authorized capital stock of 3,000,000 shares of no par value. Expenditure on the development of the properties since the beginning of operation in the spring of 1933 up to August 31, 1934, has been approximately $850,000. The sale of the balance of the company's authorized capital stock in accordance with the terms of option agreements realized $562,500, as follows:

By sale of 2,124,000 shares of stock to The Teck-Hughes Gold Mines, Ltd.	$531,000
By sale of 108,000 shares of stock to Read-Authier Mine, Ltd.	27,000
By sale of 18,000 shares of stock to The Canadian Exploration, Ltd.	4,500
	$562,500

"When it was found necessary in the spring of 1934 to raise more money, it was decided that the best interests of your company would be served by the creation of $2,000,000 par value of 7-year 5% bonds secured by a trust deed of hypothec and mortgage. This was done and a block of $400,000 par value of these bonds was underwritten and taken up on demand as funds were needed by your company at 70% of par value and accrued interest by The Teck-Hughes Gold Mines, netting your treasury $288,249, on terms among others whereby (1) so long as The Teck-Hughes Gold Mines undertook to finance the property's development by purchasing bonds, no bonds of the issue should be sold elsewhere in order that all outstanding bonds might be held intact by the company assuming the financial risks involved in the endeavor to establish the enterprise upon a profitable basis; (2) no dividends should be paid until all the bonds had been paid off at par with accrued interest. The bonds may, however, be paid off before their maturity date.

"It has now been decided to sell a second block of these bonds to The Teck-Hughes Gold Mines, which has undertaken to purchase $800,000 par value from time to time on demand at the same price and on the same terms as the purchase of the first $400,000. The sale of this second block of bonds with accrued interest is expected to yield approximately $600,000, which is estimated to be sufficient to finance the carrying out of present plans of development and construction work until the early spring of 1935. Further funds will then be needed—estimated according to present development plans at approximately $400,000.

"Underground development work accomplished up to the end of August totals 15,183 ft.

"In addition to the above, a total of 29,957 ft. of diamond drill exploration work has been done, the townsite of Bourlamaque laid out, and numerous dwellings, offices, storehouses, plant buildings, sleeping camps, roads, dams, and pipe lines constructed. Several hundred acres of bush and swamp land have been cleared, an electric power service obtained from the Northern Quebec Power Company, and construction work started on the first 450-ton mill unit and crushing plant, 225 tons capacity of which is to be made ready soon after the end of May, 1935.

"At September 1, 1934, ore had been found on all levels down to 700 ft. and a total combined length of 3,815 lineal feet of ore in drifts has been recorded.

"In addition to ore blocked out or partly developed in the mine, there has been accumulated on surface 15,990 tons of broken ore from development, of which 5,878 tons is contained in stockpiles with average grade of 10.22 dwts and 10,112 tons in stockpiles with average grade of 4.25 dwts., the total of 15,990 tons in both classes of broken ore having an average grade of 6.45 dwts.

"While many unforeseen difficulties and problems have arisen in connection with the ore deposits, which are of a somewhat scattered and irregular chaacter, and, while the average grade of the ore that may be treated during the initial production period is still indeterminate, the large number of oreshoots that have been found to date and their wide distribution in the relatively small section that has as yet been explored only in a preliminary way, gives encouragement to the belief that still further underground development will be well rewarded and that the property will contain a series of orebodies that under existing conditions can be mined profitably."

June Silver Output Drops 346,621 Ounces

Silver production in Canada during the month of June declined 346,621 ounces from the previous month according to a recent bulletin of the Dominion Bureau of Statistics, totalling 1,161,702 ounces in June as compared with 1,508,323 ounces in May. In June, 1933, the output was 885,427 ounces. Production for the first six months of 1934 at 7,711,668 ounces was approximately 200,000 ounces higher than in the corresponding period of the preceding year.

The average price of silver in the month of June was slightly higher than in May, amounting to 44.8 cents per ounce as compared with the May average of 44.1 cents. The value of the June output was $520,682 and of the May production $665,870.

World production of silver also declined in June, being estimated at 14,866,000 ounces as against 16,131,000 ounces in May. Mexico produced 6,641,000 ounces in June and 7,065,000 ounces in the preceding month. United States production increased to 2,312,000 ounces from the May total of 2,303,000 ounces.

Sigma Responds As Work Pushed On Second Level

From Our Own Correspondent

AMOS, Que.—At the Sigma property, Dome's Bourlamaque subsidiary, drifting on the vein, both east and west, is going forward rapidly. There is a full drift width of quartz with a tendency toward widening as the work proceeds. Visible gold is, if anything, more plentiful on this level than on the first horizon, where sensational results were had.

Shaft-sinking to the second level was completed about two weeks ago. The shaft, an inclined, was put down along the vein to the last 40 ft., where it dipped slightly. When the station was established the vein was reached with about 10 ft. of cross-cutting.

Dome's third progress report to Read-Authier Mine, Ltd., the vendors, should be at hand shortly, and its appearance is awaited with a good deal of interest. It is expected that, when present lateral operations have been completed on the second level, a main three-compartment shaft may be put down, with the site, in all probability, being located north of present workings.

Rumors heard in Toronto to the effect that Sigma's second level was not responding under development are somewhat wide of the mark, and Dome officials are quite satisfied with results to date.

NEW GROUP OPTIONS SMELTER GOLD STOCK

President Reports Default on Part of Former Underwriter

Directors of Smelter Gold Mines in a letter to shareholders over the signature of Hugh McRae, president, have announced that J. A. McRae, Toronto, has defaulted on his option to purchase treasury stock of the company and that a new option has been taken up by Belledith Ltd. of Toronto, whereby the company will be provided with an additional $600,000. The deal involves one block of shares at 30 cents per share and a second block of shares at $1 per share net to the treasury. A substantial cash payment for stock at 30 cents per share has already been paid on the new option.

The letter states that Mr. McRae took up 35,000 shares at 30 cents per share net to the treasury under his option and that the records show that these shares have not been resold. A large portion of these shares were taken up at a time when the "over the counter" market was somewhat less than 30 cents per share. Delays encountered, however, in the development of the mine resulted in a request for an extension of time on the option but this the directors did not see fit to grant. The option had been acquired by Mr. McRae in March of this year when Kirkland-Hudson Bay Gold Mines dropped its option due to the refusal of the company to grant an extension of time on a large cash payment.

Claim Vein Located

President Hugh McRae further informs shareholders that the location of the Akers vein has been definitely determined and that the company is prepared to proceed with an extensive programme of work. The company has purchased its own diamond drill and the necessary additional equipment for the development of this vein which is an extension of the main vein on the God's Lake Gold Mines property. Diamond drilling of the vein is being proceeded with, No. 1 hole being down to a depth of 730 ft.

Recently several changes were announced in the board of directors which is now constituted as follows: Hugh C. McRae, Toronto, president; D. I. Jarvis, Thornloe; A. K. Roberts, Toronto, secretary-treasurer; Harry L. Donaldson, God's Lake, Man., mine manager; Glen A. Rea of Toronto is assistant secretary-treasurer.

Kerr Lake Changes Deficit Into Profit

Annual report of Kerr Lake Mines for the fiscal year ended August 31, 1934, shows a net profit of $24,383 as compared with a deficit of $21,889 in the 1933 fiscal year. Gross income increased from $14,978 in the year ended August 31, 1933, to $62,100 in 1934. Administration and exploration expenses totalled $37,717.

Operating principally as a holding company Kerr Lake Mines controls the Kerr Lake Mining Co., a former producer at Cobalt which paid $10,521,000 in dividends from 1907 to 1927. From 1927 to July, 1933 the property was operated by lessees. During the fiscal period under review the property has been idle.

The company's principal interest is in its investment in Rimu Gold Dredging Co. Ltd., operating near Hokitka, in the province of Westland, New Zealand, where dredging operating in the 1933 calendar year resulted in a recovery of 14,673 ounces of gold. During the first six months of 1934 a recovery of 8,272 ounces was made.

Interested in Utah

The improvement in the earning position of Kerr Lake Mines in the fiscal period ended August 31 was due to the declaration of a common dividend by the Rimu Gold Dredging Co. Not only did the company pay regular preferred dividends but on July 23 paid a dividend upon its common stock amounting to three New Zealand shillings per share, equivalent at the then prevailing rate of exchange to approximately 60 cents U. S. currency per share.

In June of this year, a lease was granted on the Tahoe silver mine, Utah, the report states. Kerr Lake Mines holds controlling interest in this property which is a former producer.

The balance sheet as at August 31, 1934 shows current assets of $174,330 including cash of $158,699 as against current liabilities of $4,772. At the close of the 1933 fiscal year current assets totalled $133,999 and current liabilities $7,501.

Morning Star (Fairview) Gold Mines—This company is now shipping ore to the Consolidated Smelters Refinery at Trail B.C. at the rate of about 700 tons per month. The August average recovery for 680 tons was about .43 oz. per ton, the company reports.

BEATTIE MILLFEED IMPROVES GRADE COSTS DECREASED

Net Profit for First Half of 1934 Shown at $122,078

An official earnings statement of Beattie Gold Mines for the six months ended June 30, 1934, reflects an improvement in the grade of millfeed and in operating costs. Operating profit for the period under review totalled $292,278 and net profit was $122,078. Net profit for the seven months ended Dec. 31, 1933, was $46,482.

Net return from metal sales amounted to $725,848 as compared with $582,233 in the seven months ended Dec. 31, 1933. Operating costs totalled $433,570 as against $398,281 in the previous seven months. Provision for depreciation, taxes and development increased from $146,108 in the last seven months of 1933 to $170,200. This increase in charges is partially due to an increase in taxes from $3,000 to $20,000 and increased deferred development charges.

No information is contained in the report as to the grade of ore handled or tonnage milled. Recent reports from the property state that the stopes in the mine are full of ore and that no trouble will be experienced in the feeding of the increased milling facilities which are to be undertaken by the end of October with the completion of a cyanidation plant. Production will run at approximately 1,200 tons daily on that date.

It is reported that three new levels are to be opened up immediately down to a depth of 1,150 ft. It is planned to establish stations at 150-ft. intervals. Good results are being obtained in the west ore body, on which two drills have been working all summer.

BRALORNE PAYS INTERIM DIVIDEND

Pioneer Increases Bullion Output in August

From Our Own Correspondent

VANCOUVER. — Bralorne Gold Mines will pay an interim dividend of 15 cents a share October 15 to shareholders on record September 29.

Installation of new equipment at Pioneer Gold Mining Co.'s plant enabled the company to increase production of bullion last month, and from 12,000 tons of ore the value of gold produced was $262,300. The net profit for the month, exclusive of depletion and tax charges, was $196,180, as compared with $189,300 in July.

Wallace Lake Gold Mines Gets Interest at Hyslop

From Our Own Correspondent

WINNIPEG.—Wallace Lake Gold Mines has increased its holdings by the acquisition of ten shares in Hyslop-Guibord township, the scene of what is described as one of the major discoveries of the season, and in which Hollinger is apparently deeply interested.

This gives Wallace Lake interests in three important fields, Wallace Lake in Manitoba, on which a drilling and surface crew has been at work all summer; a group of claims adjoining the Dikdik property at Long Lac and the Hyslop Guibord group. Work has been steadily progressing on the Long Lac property in addition to the Manitoba group and it is now stated work is to commence on the eastern group.

Northern Empire Starts Important Mill Addition

From Our Own Correspondent

SUDBURY. — Laying of foundations for the addition to the mill at the Northern Empire Mines in the Beardmore section is now under way, according to R. J. Hendricks, manager. A cyanide flotation plant will be installed to treat concentrates already available from milling, and ultimate revision of the flow sheet to eliminate the present amalgam process and making cyanidation the medium of recovery is planned. The contemplated step-up in capacity will bring the mill to about 150 tons daily early next year.

Owing to non-delivery of necessary equipment, the work of deepening the shaft another 150 ft has not yet got under way, but Manager Hendricks expects operations will have been started by the end of the month.

Wiltsey-Coghlan Plan Deeper Development

Wiltsey-Coghlan Mines, in a progress report issued over the signature of H. S. Denny, president, announces that arrangements for underground work on the company's property in Rouyn twp., Quebec, have been completed and that actual shaft sinking operations at the site of shaft No. 1 will be commenced within the next two weeks. At the location of the proposed shaft a few small lenses of high grade copper ore, which assayed over 20 per cent copper and some gold, were taken out of a pit some years ago, the report states. Diamond drilling under earlier operations disclosed favorable geological structure and it is thought possible that the downward extension of the high grade lenses may be proved by underground development work.

God's Lake Ore Shoot Widens on No. 1 Level

H. R. Drummond-Hay vice-president of God's Lake Gold Mines informs The Financial Post that recent drilling on the first level at right angles to the vein has widened the No. 1 ore shoot from 5.3 ft. to 6.8 ft. with an added value of .69 oz. and this week's report shows further extension of ore on the first level of 40.2 ft., 4.8 ft. wide, value .41 oz. or $14.35 an ounce, making a total of 302 ft. of ore on the first level of which over 261.8 ft. are 6.8 ft. wide, giving a value of .69 oz. or $24.15. On the second level there is a further extension of 40 ft. making a total of 170.2 ft. 4.7 ft. wide and giving a value of .47 oz. or $16.45. These values are estimated on the current price of gold.

Mining Stock Quotations

Week Ending September 17.

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 10 (or last)	High for week	Low for week	Close Sept.17
1	.06	.01	Aconda	4,000	.01¼	.01	.01	.01
No	.33	.13	Aldermac	10,600	.17	.16	.15	.15
1	.10	.01½	Alexandria	121,300	.01½	.03	.01½	.02
No	.18	.06	Algoma	18,700	.07½	.07½	.06	.06
1	.04	.01½	Amity Copper	10,500	.01½	.01½	.01½	.01½
No	4.51	2.00	Anglo-Huronian	2,293	4.05	4.07	4.01	4.01
1	.08½	.03	Area	8,000	.03½	.03½	.03	.03½
No	.20	.02	Arno	2,000	.02	.02½	.02	.02
1	1.25	.38	Ashley	4,400	.49	.45	.38	.38
1	.18	.06½	Astoria Rouyn	26,300	.08	.09	.07	.07½
1	.60	.04	Bagamac	38,300	.10½	.10½	.10	.10
1	.04½	.00½	Baldwin	20,000	.01½	.01½	.01½	.01½
1	.22	.09	Barry Hollinger	43,050	.10½	.10½	.09½	.10
1	2.05	.85	Base Metals	3,650	.92	.98	.85	.87
1	.91	.16	B.E.A.R.	11,150	.27	.28	.24	.24
1	.51	.28½	Big Missouri	8,545	.32	.33	.30	.32
1	.75	.23	Bobjo	63,860	.46½	.48	.42	.43½
1	3.72	2.40	Bradian	2,205	2.75	2.80	2.70	2.72
No	17.00	9.90	Bralorne	3,217	14.65	15.00	14.00	14.25
1	1.50	.35	Brazil Gold	......	.40	.....	.....	.....
1	.16	.03	Brett Trethewey	......	.04	.....	.....	.....
50c	1.41	.28½	Bridge River Ex.	100,590	.60	.62	.57	.59
1	.09	.01½	Brownlee	36,200	.03	.03½	.02½	.03
1	.02½	.00½	Buckingham	......	.00½	.....	.....	.....
1	3.98	1.90	Buffalo Ankerite	7,265	3.60	3.70	3.50	3.57
No	.14	.04	Buffalo Can.	10,100	.04	.04½	.04	.04½
5	37.50	23.50	Bulolo Gold	750	35.65	36.00	35.50	35.75
No	.07½	.05	Bunker Hill (new)	5,170	.06	.06	.05	.05
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	......	.03	.....	.....	.....
1	.20	.05	Can. Kirkland	43,300	.06½	.06½	.05	.06
No	.78	.38	Can. Malartic	11,250	.70	.70	.65	.65
1	.02½	.00½	Capital Rouyn	......	.00½	.....	.....	.....
1	2.85	1.00	Cariboo Gold	500	1.35	1.35	1.20	1.20
1	.09	.01	Cartier Malartic	32,000	.05	.06½	.05½	.06½
1	.81½	.49	Castle Trethewey	8,000	.56	.57	.55	.56
1	.16	.07	Cen. Manitoba	14,100	.11	.10	.09	.09
1	1.25	.54	Cen. Patricia	59,855	1.10	1.14	1.05	1.08
No	.16½	.05½	Chibougamau Pros.	105,600	.12	.13½	.11½	.11½
1	.15½	.04½	Church. M. & Mill	11,700	.07	.08½	.07	.08
No	.14	.03½	Clericy	22,225	.04	.04½	.03½	.04
1	.03½	.01	Clifton Cons.	1,000	.01	.01	.01	.01
5	5.75	2.80	Coast Copper	150	3.40	3.05	3.00	3.00
1	.06½	.02	Cobalt Contact	12,500	.03	.03½	.02½	.02½
No	.94½	.20	Columario	8,400	.28	.30	.25½	.28
5	2.45	1.35	Coniagas	300	2.00	2.00	1.90	2.00
No	1.60	.97	Coniaurum	5,414	1.40	1.40	1.30	1.35
25	170.25	118.00	Cons. Smelters	1,053	130.00	131.00	125.00	125.00
25c	.38	.31	Crown Cons.	28,250	.37	.38	.36½	.38
No	43.50	32.25	Dome Mines	1,470	42.00	42.00	40.50	40.50
1	.12	.10	Dom. Explorers new	1,750	.11	.11	.10	.10
1	.02½	.00½	Dominion Kirk.	2,000	.01	.01	.01	.01
1	.17½	.01	Duparquet	8,400	.09½	.07½	.06	.07
1	4.35	1.76	Eldorado	10,490	2.32	2.49	2.30	2.35
No	4.15	3.00	Falconbridge	4,070	3.90	3.85	3.65	3.65
1	.11½	.01½	Federal	7,000	.03½	.03½	.03	.03
No	.07	.02½	Gilbec	9,200	.02½	.03	.02½	.03
No	4.30	.70	God's Lake	61,375	2.10	2.24	2.06	2.10
1	.30	.08	Goldale	30,150	.22	.23	.19	.21
50c	.47	.34	Gold Belt	......	.34	.....	.....	.....
10	.57	.16	Goldfield	700	.18	.18	.18	.18
1	.43	.15	Goodfish	8,050	.18½	.18	.15	.15
1	.18½	.02½	Graham Bosquet	72,200	.07½	.08½	.07	.07½
1	1.09	.50	Granada Gold	8,700	.60	.60	.54	.55
No	.53	.20	Grandoro	2,200	.25	.27	.24	.25
1	1.22	.66	Greene Stabell	50,902	.72	.74	.70	.73
1	.18	.05	Groselle	......	.08	.....	.....	.....
1	.48	.08½	Grull Wihksne	1,000	.09	.09	.09	.09
1	2.50	1.28	Gunnar Gold	37,425	2.00	2.10	1.84	1.85
1	.53½	.11	Halcrow Swayze	30,450	.13	.13½	.12	.12½
1	.15	.03½	Harker	17,100	.09	.09	.07½	.07½
1	.02½	.00½	Hilltop	......	.00½	.....	.....	.....
5	20.10	11.40	Hollinger	10,955	19.10	19.60	18.60	19.50
1	1.40	.93	Howey Gold	30,470	1.27	1.28	1.20	1.22
No	15.00	9.00	Hudson Bay	1,030	13.75	13.90	13.00	13.00
1	14.25	10.45	Inter. Mining	......	13.75	.....	.....	.....
1	6.25	4.00	Do., Pur. Warr.	......	5.85			
No	29.00	21.15	Int. Nickel	18,284	23.37	24.00	23.00	23.25
1	.48	.28	J. M. Cons. Gold	24,200	.37	.38	.32	.33
1	.03	.00½	Keora Mines	2,000	.01	.01	.01	.01
1	.37½	.23	Kirkland Cons.	43,765	.36	.37½	.35	.37½
1	.73½	.42	Kirk. Hud. Bay	1,200	.50	.50	.42	.42
1	.05	.00½	Kirk. Hunton	5,500	.01½	.01½	.01½	.01½
1	.76	.29	Kirkland Lake	58,150	.67	.68	.61	.65
1	.40½	.20	Kirk. Townsite	13,700	.23½	.25½	.23	.24
20c	.02½	.01	Koot. Florence	7,000	.01	.01½	.01	.01½
1	.23	.02	Lakeland	28,100	.02½	.03	.02½	.03
No	.18	.05½	Lake Maron	19,100	.06½	.07	.05½	.06
1	57.00	42.00	Lake Shore	4,845	56.10	56.50	53.50	54.00
1	.48	.30	Lamaque Contact	82,900	.41	.41½	.30	.30
1	.28	.06	Lebel Oro	70,700	.08½	.09	.07	.07½
1	.22	.08	Lee Gold	53,300	.09	.12	.09	.12
No	7.75	4.05	Little Long Lac	50,008	6.25	6.30	5.25	5.70
1	3.05	1.85	Macassa	52,043	2.82	2.82	2.62	2.73
1	.08½	.01½	Malrobic	27,300	.03½	.03½	.02½	.03
No	.17	.05	Mandy	2,010	.09½	.11	.05	.05
No	.40	.21½	Manitoba & Eastern	40,250	.31½	.31	.29	.29
1	1.00	.25	Maple Leaf	30,950	.25	.26	.25	.26
5	50.00	39.25	McIntyre	930	44.00	44.25	42.25	43.50
1	1.74	1.01	McKenzie Red L.	50,600	1.48	1.48	1.35	1.43
1	.75	.50	McKinley	175	.65	.70	.70	.70
No	.06½	.01½	McLeod River	25,000	.03	.03	.02½	.02½
1	.75	.39	McMillan	25,600	.66	.66	.60½	.60½
No	.55½	.25	McWatters	25,700	.48	.48½	.44½	.46
1	1.21	.39½	McVittie	48,850	.41	.54	.40	.50
5	1.50	.50	Mentor Exp. & Dev.	50	1.25	.50	.50	.50
No	2.47	1.46	Mining Corp.	2,100	1.70	1.65	1.46	1.46
1	.08½	.02½	Moffatt Hall	39,450	.05	.04½	.04½	.04½
1	.20	.08½	Moneta	1,000	.15	.14	.13½	.13½
1	.04	.01½	Murphy	1,000	.01½	.01½	.01½	.01½
No	.09½	.02	Newbec	2,600	.03½	.02½	.02½	.02½
1	.06½	.03	Night-Hawk Penn.	18,000	.04½	.05½	.04½	.05
5	2.85	2.00	Nipissing	3,850	2.55	2.57	2.50	2.50
No	45.05	33.25	Noranda	7,896	38.70	39.25	37.50	37.50
No	.54	.22	Nor. Canada	4,200	.32	.20	.28	.28
1	.27	.07	Oisko	2,000	.11	.11	.09½	.09½
1	.72	.25	Parkhill	44,350	.30	.31	.25	.31
1	.06	.01½	Pawnee Kirk.	500	.02½	.02½	.02½	.02½
1	.31½	.19	Paymaster	61,905	.26	.27	.25	.26
1	1.40	.55	Pend Oreille	3,555	.57	.56	.55	.55
1	.06½	.01½	Peterson Cobalt	28,800	.03½	.03½	.02½	.03
1	1.85	1.26	Pickle Crow	61,440	1.52	1.65	1.50	1.61
1	14.15	10.30	Pioneer Gold B.C.	11,160	12.20	12.15	10.30	11.25
1	.08½	.01½	Porcupine Crown	13,500	.03½	.03½	.03½	.03½
1	.03	.00½	Potter Doal	10,500	.01	.01½	.01	.01½
1	1.75	1.02	Premier Gold	9,870	1.24	1.25	1.18	1.24
1	.06½	.01½	Preston E. Dome	3,500	.03½	.03½	.02½	.02½
No	.60	.30	Prospectors Air's.	1,200	.49	.40	.35	.40
1	.70	.15	Quebec Gold	18,900	.21	.21	.18	.19
No	.15	.05	Quemont	200	.05½	.10	.10	.10
1	1.73	.27	Read Authier	22,905	1.33	1.55	1.28	1.40
1	1.29	.75	Reno Gold	24,200	.84	.85	.82	.85
1	.02½	.00½	Ribago	2,000	.00½	.00½	.00½	.00½
1	.05½	.01½	Ritchie	9,000	.02½	.03	.02½	.02½
1	.11½	.01½	Robb Montbray	128,200	.04½	.04½	.02½	.02½
1	6.30	1.75	San Antonio	26,093	5.50	5.10	4.76	4.95
1	1.43	.55	Sherritt Gordon	26,440	.63	.64	.55	.58
1	2.88	1.43	Siscoe	50,910	2.66	2.66	2.50	2.56
1	4.00	3.00	South Amer. Gold	600	3.50	3.40	3.00	3.00
1	.07½	.02½	South Keora	7,000	.03½	.03½	.03	.03½
No	.26½	.09	South Tiblemont	46,910	.09½	.11½	.09½	.11
No	.46	.08½	Stadacona	59,930	.32	.37½	.31½	.33
1	.65	.31	St. Anthony	55,750	.55	.56½	.50	.52
No	2.00	1.00	Sudbury Basin	5,410	1.55	1.54	1.40	1.40
1	.16½	.05	Sudbury Contact	5,000	.10½	.10½	.08½	.09
1	.11½	.00½	Sudbury Mines	54,400	.06½	.07½	.06	.07½
1	.63	.44	Sullivan Cons.	26,379	.54	.53	.45	.45
1	3.20	1.29	Sylvanite	25,600	2.75	2.83	2.64	2.79
1	8.05	4.65	Teck Hughes	321,354	6.25	6.25	4.65	4.85
1	.59	.20	Thom. Cadillac	61,650	.50	.51	.45	.50
	.02	.01½	Timiskaming	......	.01½	.....	.....	.....
1	.76	.26	Towagmac	200	.36	.36	.35	.36
1	.85	.25	Treadwell	600	.40	.25	.25	.25
No	.02½	.01	Vacuum Gas	1,000	.01½	.01½	.01½	.01½
No	1.12	.77	Ventures	34,700	.98	1.01	.94	.96
1	.03½	.01½	Vickers	2,500	.01½	.01½	.01½	.01½
No	1.53	.78	Waite Amulet	4,836	.90	.92	.78	.78
50c	.50	.06	Wayside Cons.	89,800	.09½	.10	.08½	.09½
No	.43	.18	White Eagle	15,050	.18½	.19½	.18	.18
1	.07½	.02	White Lake	4,000	.02½	.02½	.02	.02
1	.18	.05	Wiltsey Coughlan	7,700	.07½	.08	.07½	.07½
1	.20	.05	Wood Kirkland	4,200	.11	.11½	.11	.11
No	10.25	6.75	Wright-Hargreaves	24,060	9.40	9.40	8.60	8.80

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 10 (or last)	High for week	Low for week	Close Sept.17
No	.33	.17	Acme Gas & Oil	10,800	.18	.18	.17½	.18
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	.90	Ajax	2,650	.97	.97	.90	.90
1	.25	.08	Alta Pacific	2,300	.11	.10	.09½	.10
No	.35	.12	Associated	200	.14½	.13	.13	.13
No	.13	.03½	Baltac	1,500	.04	.04	.04	.04
No	1.60	.60	Calgary & Ed.	900	.75	.79	.70	.70
1	.15	.05	Calmont	1,200	.05	.07	.07	.07
No	.12	.04	Common Pete	2,000	.04	.04	.04	.04
No	.65	.25	Dalhousie	1,600	.29	.30	.27	.30
No	.30	.09	East Crest	1,550	.09	.11	.10½	.10½
No	.58	.07	Erie Gas	2,800	.09	.09½	.09	.09
No	.75	.25	Foothills	......	.25	.....	.....	.....
No	.25	.20	High Sarcee	......	.23½	.....	.....	.....
No	1.90	.85	Home	2,600	.90	.90	.85	.85
1	.25	.12	Homestead O. & G.	3,100	.19	.18½	.17	.17
No	.44	.12	Lowery	500	.18	.18	.18	.18
No	.42	.19	Merland	200	.23	.22	.22	.22
1	.48	.10	Midwal Oil	......	.10	.....	.....	.....
1	.33	.17	Model	100	.21	.21	.21	.21
5	.17½	.05	Nordon	7,700	.06½	.08	.06½	.06½
No	.09	.03	Oil Selections	6,100	.03½	.03½	.03½	.03½
No	.34	.08	Olga Gas & Oil	124,400	.10	.16½	.08	.10½
1	1.10	.50	Petrol Oil & Gas	240	.50	.55	.55	.55
No	19.55	13.00	Royalite	320	13.80	14.00	13.50	13.75
1	.13	.05	Sarnia Oil	4,500	.05	.06	.05	.05
No	.17	.07	South West Pete	......	.15	.....	.....	.....
No	1.00	.63	Wainwright West	14,550	.98	1.00	.81½	.88

VANCOUVER STOCK EXCHANGE

(Transaction for Week to September 14.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 7 (or last)	High for week	Low for week	Close Sept.14
1	.09½	.01½	Alexandria	2,000	.01½	.01½	.01½	.01½
25c	.03½	.01	Bayview	60,200	.02½	.03	.02½	.03
20c	.08½	.03	Beaver Silver	3,000	.05	.05	.05	.05
25c	.03½	.01	Bluebird	10,000	.01	.01½	.01	.01
1	3.70	2.10	Bradian Gold	2,188	2.85	3.00	2.70	2.71
No	16.95	9.85	Bralorne	1,030	14.95	15.00	14.25	14.50
1	.48	.09½	Bridge River Cons.	40,500	.13½	.13	.09½	.10½
50c	1.40	.28	Bridge River Exp.	115,890	.93	.93	.65	.68½
50c	.27	.19	B.R. Mountain Gold	......	.20	.....	.....	.....
1	1.76	.51½	B. C. Nickel	84,075	.75	.78	.66	.67
1	1.25	.90	B. C. Silver	......	.95	.....	.....	.....
50c	.29	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.15	Canadian Rand	......	.15	.....	.....	.....
1	2.90	1.00	Cariboo Gold	2,781	1.45	1.40	1.22	1.25
No	12.60	8.75	Coast Breweries	1,125	9.25	10.00	9.25	9.95
1	.51	.18	Congress Gold	3,800	.46	.45	.41	.41
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	7,000	.03	.03	.03	.03
No	2.07	.25	Dentonia Mines	13,150	.55½	.56	.48	.49
No	.07½	.06½	Dictator Gold	3,300	.07½	.07½	.06½	.07
1	.45	.14	Dunwell	400	.21½	.21	.21	.21
No	.44½	.12	Fairview Amal.	10,500	.17	.18	.17	.18
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.25	George Copper	......	.25	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06½	.01	Georgia River	5,500	.01	.01½	.01	.01
50c	.06	.01	Glacier Creek	6,000	.04½	.05½	.04½	.04½
1	.63	.33	Golconda	2,800	.36	.36	.33	.33
5c	.30	.13	Golconda Ex.	......	.13	.....	.....	.....
50c	.63½	.27	Gold Belt	200	.34	.33	.33	.33
50c	.51	.30	Gold Mountain	1,000	.40	.31	.30	.30
50c	.06	.02	Grandview	4,000	.02	.02	.02	.02
No	.38	.16	Grange Mines	69,075	.24	.38½	.24	.25½
1	.50	.07	Grull Wihksne	5,000	.09½	.08½	.08	.08
No	.46	.04	Haida Gold	......	.07½	.....	.....	.....
25c	5.80	5.25	Hecla	......	5.25	.....	.....	.....
50c	.34	.18	Hedley Amal.	7,400	.32	.32	.31	.31

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 7 (or last)	High for week	Low for week	Close Sept.14
No	.29	.10	Hedley Sterling	......	.10	.....	.....	.....
1	.09½	.04	Hercules Cons.	34,000	.04½	.04½	.04	.04
No	.28	.07	Home Gold	13,170	.15	.14½	.13	.14
1	.04	.01½	Independence	......	.02			
1	.04	.01½	Indian Mines	......	.02½	.....	.....	.....
1	.15½	.10	Inter'l Coal	2,500	.13	.15	.13	.13
1	.42	.29	Jack Waite	......	.31	.....	.....	.....
50c	.65	.19	Kootenay Belle	4,900	.43	.49	.48	.49
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	26,000	.01½	.01½	.01	
10c	.06	.03½	Lucky Jim	......	.03	.....	.....	.....
No	.40	.11	Mak Siccar	250	.23	.23	.23	.23
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.14	.09½	McGillivray	1,000	.14	.09½	.09½	
10c	.33	.08½	Meridian Min.	11,700	.10½	.11	.10	.10
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	29,000	.24	.25	.21½	.23
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.13	Morning Star	14,800	.16	.16	.13	.15
1	.05½	.00½	Morton Woolsey	......	.01½	.....	.....	.....
50c	.09	.03	National Silver	20,500	.03½	.03½	.03	.03
50c	1.36	.20	Nicola	22,175	.30	.31	.30	.31
50c	.17	.06½	Noble Five	15,000	.07½	.07½	.06½	
No	.26½	.10	Norgold	42,350	.25	.26½	.25	.25
1	.54	.12½	Pavilion	16,400	.47	.49	.46	.48
1	14.25	11.00	Pioneer Gold	675	12.75	12.50	11.60	11.60
50c	.18	.06½	Porter Idaho	......	.08½	.....	.....	.....
No	.02½	.00½	Premier Border	3,000	.00½	.01	.01	.01
1	.06	.03	Quatsino Copper	......	.03	.....	.....	.....
50c	.19	.06	Red Hawk	......	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	450	.13	.12	.12	.12
1	1.25	.75	Reno Gold	18,735	.87	.87	.80	.85
1	.15	.04	Reward Mining	2,000	.06½	.06½	.06	.06
No	.27	.09	Richfield Cariboo	......	.09	.....	.....	.....
1	.03½	.01	Rufus Argenta	1,000	.01½	.01½	.01½	
1	.05	.02	Ruth Hope	......	.02	.....	.....	.....
1	.55	.25	Sally Mines	2,700	.33	.35	.32	.35
50c	.35	.10	Salmon Gold	62,200	.19	.25½	.18	.23
1	.09	.04	Silverado	......	.04	.....	.....	.....
25c	.04½	.02	Silvercrest	13,500	.02½	.02	.02	.02
20c	.17	.04	Silversmith	13,750	.11	.11	.10	.10
50c	.03½	.01	Snowflake	7,600	.01½	.01½	.01	
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.08	Standard Gold	3,500	.13	.10	.08	.10
10	8.65	4.75	Sunshine	20	8.65	8.25	8.25	8.25
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.31	Taylor Bridge	8,900	.36	.36	.31	.31
1	.65	.35	Taylor Windfall	3,750	.42	.41	.35	.35
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.28	.04½	United Empire	151,200	.19	.35	.22	
No	3.50	1.40	Vidette Gold	2,700	1.81	1.80	1.70	1.75
No	.21½	.05	Viking Gold	10,600	.09	.09½	.08	
No	.27½	.08	Waterloo Gold	8,200	.10½	.10½	.09½	
25c	.03	.01	Waverly Tangier	20,500	.01½	.01½	.01½	
50c	.47	.05½	Wayside	28,200	.11½	.11	.09	
20c	.03½	.01½	Wellington	2,000	.01½	.01½	.01½	
No	.44	.20½	White Eagle	......	.21	.....	.....	.....
1	.10½	.04	Whitewater	5,000	.06	.05½	.05	.06

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 7 (or last)	High for week	Low for week	Close Sept.14
1	.15½	.06	Amalgamated	4,150	.08	.08	.07	.07
1	.08	.03	Anaconda	2,500	.04	.04½	.04	.04
1	.10	.07	Brit. Dominion	......	.09	.....	.....	.....
1	.11½	.03	Crow's Nest	5,050	.07½	.05½	.03	.03
No	.09½	.03	Devenish	......	.04	.....	.....	.....
No	.01½	.00½	Fabyan Pete	8,000	.00½	.00½	.00½	
No	.16½	.06	Freehold	1,200	.08	.08	.07½	.08
No	.13	.04	Hargal	......	.04½	.....	.....	.....
No	.35	.14	High Sarcee	1,000	.17	.16½	.16½	
No	.05	.00½	Madison	......	.00½	.....	.....	.....
No	.35	.05	Marjon Oil	2,000	.08½	.09	.08	.08
No	.05½	.02½	McD. Segur Ex.	1,000	.02½	.02½	.02½	
1	.47	.25	McLeod	884	.32	.32	.30	.30
No	.22	.12	Mercury	12,825	.15	.15	.14	.14
No	.22	.10	Mill City Pete	......	.10	.....	.....	.....
No	.18	.05	Okalta	400	.05½	.05½	.05½	
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.04½	Pacalta Oil	3,500	.06	.05	.04½	.05
1	.75	.14	Ranchmen's	......	.70	.....	.....	.....
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	1,200	.27	.29	.29	.29
No	.11½	.04	United	3,000	.04½	.04½	.04	
No	.80	.11	Vanalta	8,900	.12	.12½	.11	.11
1	.20	.10	Vulcan	150	.10	.11	.11	.11
1	.35	.07½	Wellington Oil	......	.08	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield
Acme Gas†	2c.	.....
Ajax Oil	8c.	8.88
Bralorne	60c.	4.21
Bulolo Gold‡	60c.	.....
Coast Brew.	92c.	9.24
Coniagas‡	12½c.	.....
Cons. Smelters	1.00	.....
Dome Mines	$2+$1.50	8.64
Falconbridge	5c.	.....
Hollinger	65c.+50c.	5.90
Howe Sound	$3	.....
Howey Gold	6c.	.....
Int. Coal & Coke‡	1c.	.....
Int. Nickel c.	15c.	.....
Lake Shore	$2+$1	5.55

	Rate	Yield
McIntyre	$2	
Mercury Oils‡	4c.	.....
Merland Oils‡	5c.	.....
Model Oils	3c.	.....
Nipissing	12½c.	.....
Noranda‡	$1	.....
Petrol Oil‡	3c.	.....
Premier	12c.	
Pioneer B.C.	80c.	
Royalite	50c.	
San Antonio†	5c.	.....
Siscoe	12+5c.	
So. Amer. Gold	10c.	.....
Sylvanite	20+5c.	
Teck-Hughes	10c.	.....
Toburn	8c.	.....
Wright-Har.	40+15c.	

‡Interim. †Initial.

Unlisted Mining Stocks

September 18, 1934

	Bid	Asked
Adanac	.20	..
Algoma Summit	.45	..
Ardeen	..	.21
Afton	..	.27
Arntfield Gold	.85	.90
Arntfield Synd.	.80	.90
Bailor Gold	..	.16
Bankfield Gold	.90	.95
Bathurst	.05½	.06
B. C. Nickel	.75	.80
Beattie	2.07	2.14
Big Long Lac	..	.18
Bur-Ley Long Lac	.18	.20
Burroughes Long Lac	30.00	34.00
Bidgood Cons.	.02½	.03½
Bidgood Kirk.	..	.45
Birch Bay	..	.23
Bosquet Gold	..	.22
Brennan Kenty	.49	.51
Can. Radium	.08	.12
Can. Pandora	.09	.13
Canusa Mining	.06½	.08½
Casey Contact	.38	.40
Casey Summit	.60	.67
Cent. Porc.	.43	.48
Cochenour Wil.	120.00	140.00
Columario (old)	.18	.22
Continental Kirk.	.08	.10
Crown Reserve	.03	.05½
Cuniptau	.40	.47
Dennison Cop.	.02	.04
Dorval Siscoe	10.00	12.00
Dunlop Cons.	.04½	.08½
El Bonanza	.18	.21
Forty-Four Gold	11.50	12.50
Four Nation's	.09	.12
Francoeur	.24	.27
Frontier Red Lake	.29	.31
Glenora Gold	.17	...
Gold Eagle	.46	.50
Golden Long Lac Unit	..	30.50
Gr. Bear Lake M.	.14	.18
Gabrielle	.68	.72
Greenlaw Gold	.05	.06
Hardrock	.85	.90
Hardrock Un.	..	85.00
Horseshoe	.04	.06
Herbin Lake Un.	22.00	26.00
Island Lake	.07	.09
Jellicoe	..	.17
Johnson Nip.	..	.15
Keyroc Gold	.17	.19

	Bid	Asked
Kirk. Gold Belt	.25	.30
Lake Caswell	.45	.55
La Roche	.11	.14
Lafayette L. Lac	..	.15
Long Lac Lagoon	.29	.31
Lamaque Gold	1.70	1.90
Lamaq. Cont. U.	100.00	125.00
Langmuir L. Lac	.30½	.32
Long Lac Synd.	2.00	2.50
McFarlane L. Lac	.42	.46
McQuaig	.18	.24
MacL. Cockshutt	.72	.75
Magnet Lake	.23	.25
Marbuan	.70	.77
Matachewan Can.	.17	.18½
Metals Devel.	.04	.07
Middle Bay	..	.23
Minefinders	2.00	3.50
Montague Gold	3.30	4.00
Murwood	.35	.40
Mosher Gold	.29	.31
Neville Can.	.49	.53
Normont	.07	.10
North Shores	.12	.14
Payore Mines	.26	.30
Pontiac Rouyn	.40	.50
Powell Rouyn	1.05	1.11
Queen Lebel	.18	...
Red. L. Gold	.17	.20
Rice Lake	..	.32
Rouyn Reward	.43	.47
Roche Long Lac	.21	.23
Rubec	.01½	.02
Sakoose	1.01	1.04
Sigma	2.60	2.90
Smelter Gold	.21	.23
So. Shore Gold	20.00	27.00
Talisman	..	.35
Tashota Goldfield	.45	.52
Tiblemont Island	1.10	1.20
Toburn	1.41	1.47
Trafalgar	.30	.34
Tyche L. L.	.18	.21
Vanguard L. Lac	.24	.28
Vanquelin Sifton	.11	.13
Vermilion L. Sh.	30.00	33.00
Wendigo	.86	.93
Witch Bay Gold	..	5.75
Wells L. Lac	.18	.21
West-Side L. Lac	.20	.23
Wingold	.35	.40
Young David	.31	.34
Ymir Y. Girl	..	.40

Source of quotations on application. Not guaranteed.

Winnipeg Stock Exchange

(Transactions from Aug. 30 to Sept. 15)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Sept. 15
..	..	Adanac	5,530	.31	.27	.27
..	..	Bailor Units	11	3.75	3.00	3.00
..	..	Gold Lake	500	.60	.60	.60
..	..	Gabrielle	2,100	.71½	.68	.70
..	..	Island Lake	11,800	.09	.08½	.09
20	5.6	Great West Life	13	355.00	355.00	355.00
..	..	Long Lac Adair	800	.23	.20	.20
..	..	Kingfisher	5,300	.30	.22	.25
..	..	Kingfisher Units	46	165.00	130.00	160.00
..	..	Mosher Long Lac	300	.33	.33	.33
..	..	Normandy	16	7.50	6.50	6.50
..	..	Oxford Lake	10	2.50	2.50	2.50
..	..	Rice Lake Shs.	2,200	.35	.34	.34
..	..	Shawkey	1,600	.52	.52	.52
1	..	United Grain	42	10.50	10.25	10.25
..	..	Tashota	1,000	.08½	.08½	.08½
..	..	Vanson Manitoba	1,100	.35	.35	.35
..	..	Wingold	1,200	.44	.40	.40
..	..	West. Breweries	20	1.35	1.35	1.35

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	3	5
Beaver Lumber, pf.	..	63
Crescent Cream. pf.	..	25
Can. Fire Ins.	55	..
Home Investment	20	.
Northern Mtge.	..	5
Northern Trust	..	15
Pelissiers, com.	.25	..

	Bid	Ask
Pelissiers, pref.	..	
Sov. Life 25% pd.	..	
Traders' Bldg.	60	
Can. Amer. Tr. sh.	2.48	
Can. Inv. Fund	..	
Fundament. Ser. A	3.60	
Fundament. Ser. B	3.40	
Grouped Inc. shs.	..	

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending September 17, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Low
Mtl. L.H. & P. debs.	3	1939	3.73	47	47⅛	47	47⅛	43
Convers. Loan	4½	1959	...	107¼	107½	..	107½	

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

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Long Lac Lagoon Gold Mines—Officials of this company told The Financial Post that 17 drill holes have already been put down and the work of drilling and trenching is proceeding. According to an official report, the 17th drill hole showed values at $14.70 across a width of 2 ft. 6 ins.

Will buy Yukon Consolidated Gold Corporation common stock. Make offers to H. L. Blachford, 2020 McGill College Ave., Montreal, Canada.

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LARGE OPERATORS BEHIND ACTIVITIES AT CHIBOUGAMAU

Smelters Latest to Enter Growing Quebec Mining Field

From Our Own Correspondent

AMOS, Que. — Chibougamau, is fast taking its place as an important Quebec mining area.

The latest entry into the field is the Consolidated Mining & Smelting Co., who have recently acquired control of Consolidated Chibougamau Goldfields, and are directing development operations. Prior to Smelters acquisition, this property was subjected to an intensive campaign of diamond drilling and surface exploration, with the results conclusively indicating commercial ore bodies over substantial widths.

That Smelters plan to exhaustively develop the property can be seen in the announcement that in excess of 150 tons of equipment and supplies are now being transported to the property from Oskelaneo, Que., by airplane. The transportation job is being rushed by General Airways, Ltd., in order that all freight will be moved in before the freeze-up, which comes about October 15 in the Chibougamau country.

Noranda Active

Given economical transportation facilities, Chibougamau should make important minewise strides. Already Noranda have indicated a medium-sized mine on the Coffin-Gilligan property at Borbeau Lake. The holdings have been thoroughly probed by diamond drilling with the result that commercial ore bodies have been proven.

Some 30 miles distant, work has been going forward for the past few months on the property of Opemiska Copper Mines, Ltd., controlled by Ventures, Limited. Here, a high grade copper deposit, discovered by Leo Springer for Prospectors Airways Ltd. in 1930, has been developed to the producing stage. This year new surface discoveries have been made, thereby further enhancing the outlook. The Opemiska deposit is of economic importance even at present low prices for the red metal provided the transportation difficulties could be overcome.

ACTIVITY EVIDENT NEAR MINE CENTRE

Golden Crescent and Golden Star Head Revival

From Our Own Correspondent

SUDBURY. — Another old gold mining area which is being revived by reason of the high price of the yellow metal and the increasing world demand is the district around Mine Centre, in northwestern Ontario, where marked activity is evident. The Golden Crescent, under option to C. H. Miles, M.E., has nine men at work dewatering the shaft and surface stripping. Excellent showings, it is stated, are being met with in surface exploration.

Development is proceeding at a 40-ft. depth at the Stellar property, with a gradual improvement of the ore body being noted in width and values.

Good ore has been encountered, it is reported, at the Golden Star in a 25-ft. tunnel on the lowest level and considerable free gold is in evidence.

The Foley mine is being worked under an arrangement with Mine Centre interests and the small mill is in regular operation.

Bruno Maskwa Traces New Vein for 1,500 ft.

From Our Own Correspondent

WINNIPEG. — Bruno - Maskwa Mines is getting good results from its work on the Maskwa gold property on Bear Lake a short distance northeast of Winnipeg. Maskwa gold sold its property to Bruno-Maskwa and the latter is doing the operating. The summer work has been principally surface work and an entirely new vein to the original ore zone has recently been uncovered and traced for 1,500 ft. Bruno-Maskwa now plans to diamond drill but while drills are available, operating crews are difficult to find and it is likely the Maskwa group will have to wait until drilling operations on the Rice Lake Gold company's property is concluded. Jos. Houston, Haileybury, consulting engineer for Bruno-Maskwa flew into the property during the week and outlined immediate development work.

Bloom Lake Arranges for Diamond Drilling

From Our Own Correspondent

SUDBURY — J. H. Dixon, president and managing director of the Bloom Lake Consolidated Mines was in Matachewan last week arranging for diamond drilling on the Bloom Lake property, which adjoins the Matachewan Consolidated, owned by Ventures, where a mill is now in process of construction.

Bloom Lake, it is announced, has been successfully financed by United States interests. Carl Law, geologist, of Philadelphia, is taking up residence on the Bloom Lake property and will be in charge of operations.

Nickel Companies Prepare For Increased Production

Sudbury Output for 1934 Bids Fair to Exceed Peak Year of 1929

From Our Own Correspondent

SUDBURY. — Sudbury's average monthly nickel production in 1934 is exceeding that of 1929, the peak year, according to figures issued by the Dominion Bureau of Statistics. Output of the metal for June was 13,401,648 pounds. For the six months ended June 30 last the production was 63,333,686 pounds, for an average monthly figure of 10,555,614 pounds. The total yield in 1929 was 110,275,912 pounds, an average of 9,190,000.

The Bureau's figures are for Canada, which in the case of nickel means the Sudbury district. Of the total of 13,401,648 pounds produced in June, approximately 900,000 pounds emanated from the Falconbridge Nickel Mines, and the balance from International Nickel Co.

Production for the first half of 1934 at 63,333,686 pounds is close to the total for the whole of 1931, when it was 65,666,320 pounds, is double that of 1932, which produced 30,327,968 pounds, and compares with 83,264,658 pounds for the entire year 1933.

Plan Increased Output

Although there was a slight falling off of nickel sales experienced by International Nickel during midsummer, partly due to the slump in steel plant activities, Mr. R. C. Stanley, Inco president, who was in Sudbury a short time ago, expressed the view that the falling off in demand was more or less seasonal and that he looked forward to substantial business in the metal for the balance of the calendar year. In the meantime both nickel producers in the Sudbury district are proceeding with plans for taking care of increased production as necessity demands, and are increasing facilities for regular output.

During the last few weeks International Nickel has absorbed the majority of labor available from the relief ranks of the city of Sudbury, together with experienced men from other points. These have been placed at the Frood and Creighton mines, and some at Garson, where a new sand pit has been opened to supply flux for the Coniston smelter.

The new mine development programme inaugurated some months ago is proceeding at the Frood and Creighton mines, where internal shafts are being sunk in anticipation of higher production. At the Creighton, also, plans are well under way for the sinking of another deep shaft from surface, which will be located approximately a mile away from the present shaft. No official details are available yet as to the depth objective, but it is understood it will be put down between 4,000 and 5,000 ft.

Adding to Smelter

Frood mine tonnage has been crowding metallurgical plants of International Nickel at Copper Cliff for some time, and this situation will be overcome with the completion of the new smelter addition at the end of the year. Construction operations are slightly in advance of schedule, and no difficulty is anticipated in effecting installation of the battery of four new converters and having them ready before the 1st of January next.

At the Falconbridge Nickel Mines steady progress is being made on the sinking of a new shaft, with a depth objective of 1,500 ft., which when put into service will relieve the pressure on the existing shaft. The new shaft is of four compartments, and according to present programme will require at least 18 months to complete. Falconbridge's present capacity is about 10,000,000 pounds of nickel annually, a ready sale for which is being found in Europe, after refining at the company's subsidiary, the refinery at Kristiansand, Norway.

MONTREAL SILVER EXCHANGE ALLOTS MEMBERS' SEATS

Forty-nine Applications Accepted — More to be Issued

From Our Own Correspondent

MONTREAL. — Applications for membership on the new Montreal Silver Exchange will be received this week from members of the Montreal Stock Exchange, to whom 80 seats have been allotted.

Already 48 memberships in the new Silver Exchange have been allotted against applications received up to the end of last week. Of this number, 17 are for New York firms, 15 for Montreal firms, 10 for Toronto, 3 for Shanghai, 2 for Paris and 1 for Rio de Janeiro.

Secure Wide Distribution

With one exception the New York seats have gone to members of the New York Stock Exchange or the Commodity Exchange. The three memberships in Shanghai are for three of the largest bullion firms in that centre. One seat has been taken by the American Metal Co., a producer of silver in both Mexico and Canada.

The by-laws, rules and regulations which have been patterned after the Commodity Exchange in New York and adapted for the new Canadian institution will be available for the members by the end of this week. One major change has been made: the contract or unit of trading has been reduced to 10,000 ounces and other relative details have been adjusted.

List of Members

The names of individuals or firms other than members of the Montreal Stock Exchange to whom memberships in the Montreal Silver Exchange Inc. have been allotted are: E. J. Schwabach & Co., New York; Carl M. Loeb & Co., New York; White, White & Co., Shanghai, China; Paris; Abraham & Co., New York; A. E. Osler & Co., Toronto; American Metal Co., Toronto; Swan, Culbertson & Fritz, Shanghai; Racine & Co., Montreal; Moore, Leonard & Lynch, New York; Laidlaw & Co., Montreal; S. R. Mackellar & Co., Toronto; B. W. Dyer & Co., New York; Gilson, Keelon & Andrus, New York; W. S. Murphy & Co., New York; c/o Hyman & Co., New York; Consulate of the United States of Brazil, Montreal; Cudebec & Co., Paris; Post & Flagg, Montreal; Fenner & Beane, New York; Shearson, Hammill & Co., Montreal; J. R. Timmins & Co., Montreal; c/o Hyman & Company, New York; C. A. Gentles & Co., Toronto; Jenks, Gwynne & Co., Montreal; Callaway, Fish & Co., New York; A. E. Jukes, pres. of the Vancouver Stock Exchange, and Chulina Mahta, Bombay.

The following is a list of memberships which have been allotted to members of the Montreal Curb Market whose firms are not members of the Montreal Stock Exchange: Abbott, Hoppin & Co., Montreal; O. E. Armstrong & Co., Montreal; L. J. Beauchemin & Co., Montreal; W. H. Dean & Co., Montreal; Dungan & MacMartin, Montreal; F. J. Fairhall & Co., Montreal; Higginson & Ross, Montreal; Kippen & Co., Montreal; Mackenzie & Kingman, Montreal; McFetrick & Co., Montreal; Mara & McCarthy, Toronto; Seagram, Harris & Bricker, Toronto; Thomson & McKinnon, Toronto; A. D. Watts & Co., Toronto; C. C. Fields & Co., Toronto.

KLONDIKE GOLD'S ROMANTIC PAST SPURS WORKERS

"Lady Known as Lou" Was One-time Shareholder

From Our Own Correspondent

VICTORIA.—Active development at Klondike Gold Quartz Mines near Dawson, Y.T., has been commenced following the recommendations of P. E. Peterson, M.E., who returned recently from the property, which he examined and reported on for the management.

Following Mr. Peterson's suggestions, a tunnel is now being driven on a series of parallel veins from a point level with the old mill. This tunnel will be continued to a point underneath the No. 1 shaft and a connection made by a raise. During the driving of the tunnel 10-ft. crosscuts will be driven every 100 ft. to inspect and test the parallel veins both east and west of the main vein.

Mill by Spring?

In his examination of the property Mr. Peterson stated that it was difficult to obtain average assays since practically all the gold occurs in the free state and tests will be made by actual mill run rather than by assay. The present work is expected to be completed in the early spring, at which time all results will be checked by mill run and a modern ball mill with a probable capacity of 40 tons installed in the present mill building.

The mine, which was formerly known as the Bear Creek Mining Co., had a romantic history, one of the original shareholders being the famous "Lady known as Lou," according to reliable reports.

Some gold was produced in 1913 and 1914, but the company became financially involved and the president of the new company, C. S. Philp, who was then a majority shareholder, purchased the entire mine when it fell under the Sheriff's hammer.

According to Bank of Montreal records at Dawson, $1,487.60 was produced at that time, though residents of the district who were living there state that more gold was actually produced and sold over the counter without records.

Fox Lake Gold Ships First Brick from Area

What is believed to be the first gold brick to come out of the West River area in the Sudbury district was poured recently on the property of Fox Lake Gold Mines, purchased by Northern Securities in April of this year.

The company, over the signature of H. H. Childs, president of Northern Securities and manager of Fox Lake, states that a new 25-ton mill with amalgamating plates and concentrating tables is now in the process of erection. Buildings are also being constructed. At present this property is using the old Yukon methods of washing the oxide deposit by rockers and rifle boxes. After the mill is erected and ready for operation, which is expected to be about the middle of September, according to Mr. Childs, any free gold will be recovered on property and the sulphides remaining in the concentrate will be sold. This procedure will be followed until such time as sufficient reserve funds are set aside to build a cyaniding plant.

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MANAGEMENT HAS AMBITIOUS PLANS AT SECOND RELIEF

Mill Stepped up to 75 Tons as First Step in Large Programme

From Our Own Correspondent

VICTORIA.—As the first step toward large scale production, the mill at the Second Relief Mine in the Salmo-Sheep Creek district will be stepped up to 75 tons a day immediately, it is learned on good authority. The Second Relief, together with the Arlington Mine a mile and a half distant, and known as Relief Arlington Mines Ltd., was taken over by the Premier Gold Mining Co. Ltd. in June of this year.

A new twelve drill compressor and a large hoist for shaft sinking are now being installed at the mine in preparation for a most extensive development campaign.

During the past month both mines were endangered by the forest fires which were raging in the vicinity, but it is reported that this danger is now past and the majority of the men have been put back to work. During the most hazardous period only sufficient men were kept at work in the mine and mill to keep the plant running at its present capacity of 30 tons a day.

May Be Big Mine

From the time that the Second Relief was taken over by Premier, development has been continued on the fifth level of the mine, where a considerable tonnage of ore was already opened up, and being put through the mill. Just previous to the sale of the property, the O'Neil interests of Vancouver, who were operating it, purchased the adjoining Ida D claim, into which the main vein ran. Extension of the fifth level drift into this ground for 200 ft. opened up that distance in ore and since the Premier took over a further 200 ft. of drifting has taken place here, giving an additional 400 ft. on the vein at this level with virgin ground above. The ore is reported to average between two and three ft. in width and to give an average return of .6 oz. gold or $20.40 per ton.

Intermittent operations by former owners on levels above the fifth denuded most of the upper portion of the mine of ore, the majority of these levels having been well stoped. The new work, however, has given what approximates an ore body 400 ft. in length with 500 ft. of backs to the surface and an average width of between two to three feet, or an indicated ore reserve of between 30,000 and 50,000 tons of ore averaging $20 a ton.

Previous surface exploration showed that the main vein, on which all this work was done, was part of a system of five parallel veins, all having the same strike and dip. The Premier company has driven a crosscut from the fifth level which has now cut the four parallel veins. It is reported that they have shown up as anticipated and drifting on them is expected to start immediately.

Results of this work, if it comes up to expectations, means the development of the largest mine so far found in this area.

Wingold Mines—Shaft sinking at this property, adjoining San Antonio Gold Mines in the Rice Lake section of Manitoba is now down to 200 ft., and is expected to reach the proposed objective of 275 ft. very shortly. At that time a crosscut will be started to the vein and active lateral work proceeded with.

Camsell Sees Better Outlook In Base Metals

In presenting the annual report of the Department of Mines for the fiscal year ended March 31, 1934, Dr. Charles Camsell, Deputy Minister of Mines, Ottawa, comments on improvements in base metal export trade and an accompanying rise in the value of exports of these metals to the United Kingdom. This move is credited firstly to the Imperial Economic Conference Agreements at Ottawa, and secondly to the vastly improved industrial status of Great Britain. In this regard, Dr. Camsell says: "Canada has been difinitely launched as a heavy exporter of base metals and the immediate and hearty response of producers to the stimulus of improved industrial conditions may be regarded as a criterion of the Dominion's ability to hold her place in this rôle."

Gradual Depletion

Further on Dr. Camsell comments: "Against steady and discouraging increase of unsold metals in producing countries prior to April 1933, there has since been a gradual depletion of stocks on hand. But until such time as inventories of metals have receded, to something approaching the 1930 levels, there appears to be little hope of enhancement of present price levels."

In this regard, he points out that Canada is in a rather fortunate position, inasmuch as Canadian producers have been disposing of their metals as produced and also have been able to offset to an extent the somewhat unfavorable statistical position by a lowering of production costs; namely, through the medium of improved metallurgical practices.

GOV'T GEOLOGISTS IN STURGEON AREA

Hear Experts Optimistic of New Mineral Field's Possibilities

From Our Own Correspondent

SUDBURY—A party of geologists from the Ontario Department of Mines sent recently into the new Sturgeon River area to make a survey of that mineral field, are understood to be favorably impressed with the various showings to date. Initial reports sent to the department at Toronto are said by well informed persons to reflect optimism on the outlook for the district.

It will be some little time, of course, before the formal official report is ready. Dr. E. L. Bruce, geologist, of Queen's University, is now in the field, and will prepare a complete statement when the investigation is finished.

Though the initial discovery last June was a free gold showing, the fact that the gold values occur with the sulphide mineralization and not in the visible state, is considered of importance.

Prospecting in the Sturgeon River area has taken place on both sides of the river and has spread west to Lake Nipigon. The area where important showings have already been disclosed covers about 20 miles in length and a breadth of four miles.

Magnet Lake Gold Mines Plans Surface Programme

A programme of surface exploration on the property, three miles south from Bankfield Station, in the Little Long Lac area is outlined in a prospectus just issued by Magnet Lake Gold Mines, formed with an authorized capitalization of $3,000,000 divided into $1 par value shares, of which 1,245,005 are reported as being outstanding. The company's property comprises about 1,000 acres, adjoining the Little Long Lac Gold Mines on the east and Bankfield and Wells-Long Lac on the west.

The company states that diamond drilling on showings indicated by surface work already done will be carried out. One of the purposes of this diamond drilling campaign is to try to locate the extension of the Bankfield vein system. The company states that it is amply financed for this work.

The company is being managed by the Oro-Plata Mining Co. and is headed by Lawrence B. Wright, formerly geologist with the Homestake Mining Company. F. G. Tobin, is vice-president and Sir John Daniel and T. J. Day are directors. T. M. Mungovan is secretary-treasurer. Head office of the company is at 85 Richmond St. W., Toronto.

Payore Gold Seeks Entry Into United States Marts

Among the Canadian mining companies, seeking registration with the Federal Trade Commission in the United States with a view to marketing their securities in that country, is Payore Gold Mines with head office at 357 Bay Street, Toronto.

This company, organized in May of this year, to develop 28 claims in Bourlamaque Township, Quebec, proposes to issue 100,000 shares of common stock at 35c each or an aggregate of $35,000 of which estimated proceeds of $17,500 will be used along with $105,000 expected to be obtained from the sale of stock in Canada for equipment and organization purposes. It is understood that H. Pedden & Co., Toronto, the underwriters, will purchase the stock at 17½ cents a share. J. Vail, 401 North Broad Street, Philadelphia, is the U. S. agent.

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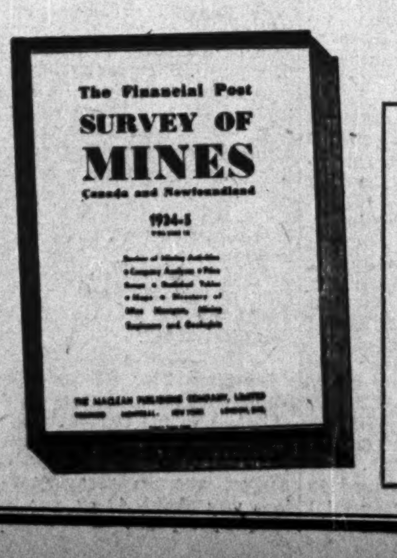

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